

Report to:	EXECUTIVE CABINET
Date:	24 August 2022
Executive Member:	Cllr Jacqueline North - First Deputy (Finance, Resources & Transformation)
Reporting Officer:	Ilys Cookson - Assistant Director Exchequer Services
Subject:	COUNCIL TAX REBATE FOR ENERGY - DISCRETIONARY FUND
Report Summary:	Tameside have received £530,400 Council Tax Rebate for Energy Discretionary Fund monies to be used to help residents with rising energy bills. This report sets out the proposed Council Tax Rebate for Energy Discretionary Fund Policy.
Recommendations:	That Executive Cabinet be recommended to approve the Council Tax Rebate for Energy Discretionary Fund Policy as detailed in Section 3 and Appendix A of this report.
Corporate Plan:	The report supports the 'Nurturing our Communities' and 'Live Longer and Healthier Lives' Corporate Plan priority themes.
Policy Implications:	The Government has instructed local authorities to pay a £150 one-off rebate for energy to households in Council Tax Bands A – D and a discretionary scheme to be available for all bands including Bands E and above.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The Council has been allocated grant funding of £530,400 for a Discretionary Energy Cost support scheme. This is additional funding, on top of the award of £150 per property in Bands A to D. The Council must award this funding to residents by 30 November 2022 and any unused funding will need to be repaid to Government.</p> <p>The proposed scheme set out in this report seeks to maximise the amount of funding that is awarded to Tameside Residents who are liable for Council Tax, whilst retaining a small fund for discretionary awards for other cases, such as where energy bill payers may not be liable for Council Tax. Based on current numbers of residents in receipt of Council Tax support or other discounts and exemptions (as set out in Table 3) it is anticipated that £493,025 will be distributed to Tameside residents across all Council Tax bands who are in receipt of the identified support, discounts or exemptions. A residual pot of approximately £37,375 will then be available for award to other applicants. As the funding is finite, there is a risk (as highlighted in section 5) that the discretionary fund is over-subscribed, however this risk is considered to be low. In the unlikely event that eligible applicants to the discretionary fund exceed the available funding, consideration will need to be given as to how funds are rationalised.</p>
Legal Implications: (Authorised by the Borough	As set out in the main body of the report this grant funding is aimed at providing further support to residents in meeting the

Solicitor)

increased energy costs.

The funding must be allocated and managed within the terms of the grant funding to avoid any clawback provisions.

In addition, the funding is finite with any unspent funding to be returned back to central government. Therefore, care has to be taken to ensure that the criteria for receiving this extra support is 'pitched' correctly to ensure that the funding is neither oversubscribed nor unallocated. This is addressed in section 5 of the report .

Risk Management:

The risks are set out in Section 5 of this report.

Background Information:

The background papers relating to this report can be inspected by contacting Ilys Cookson - Assistant Director Exchequer Services



Telephone: 0161 342 4056



e-mail: <mailto:ilyc.cookson@tameside.gov.uk>

1. INTRODUCTION

- 1.1 On 3 February 2022 central government announced that households in council tax bands A-D, will receive a £150 energy rebate. The rebate for energy would be made directly by local authorities from April and would not need be repaid. In addition there would be discretionary funding of £144 million provided nationally to support financially vulnerable people in any Council Tax band.
- 1.2 Tameside's allocation of funding is £530,400 for the Council Tax Rebate for Energy Discretionary Fund scheme and estimated costs of payments for the mandatory scheme is £14,545,050. Payment of the mandatory £150 rebate for energy is well underway and from a total of 95,836 eligible households in Council Tax property bands A – D in Tameside, 79,276 have been paid as at 19 July 2022. In accordance with the guidance, households that pay Council Tax by direct debit have had the payment paid direct into their bank account as bank details were known. Non-direct debit payers have to apply for the rebate and can either have the payment made into their bank account (where details are provided and verification checks are satisfied), or have the payment credited to their Council Tax account.

Table 1: Total mandatory rebate for energy payments made as at 19 July 2022

Paid into bank account as Direct Debit details held	63,326
Non – Direct Debit - Total Applications received	16,280
Non- Direct Debit - Paid into Bank Account	11,834
Non- Direct Debit - Paid by Council Tax Credit	4,116
Applications being verified	252
Refused as not eligible	116
Letters sent 32,000 = 50.87% applications received to date	

- 1.3 All eligible households not paying by direct debit have received a letter inviting them to apply on line. In person support continues to be provided across the Borough for anyone unable to apply on-line. Any eligible household that have not applied for the rebate by 21 August 2022 will have the rebate for energy posted to the liable persons Council Tax account, as guidance confirms, and no eligible household will lose money from not applying for the payment.
- 1.4 Information on the mandatory payment of the £150 energy payment is available on the Councils website here [Council Tax Rebate for Energy 2022 \(tameside.gov.uk\)](https://www.tameside.gov.uk/council-tax-rebate-for-energy-2022) and social media and communications have also been engaged to promote take-up.
- 1.5 The guidance details both the mandatory and discretionary nature of the award and the Council Tax Rebate for Energy and draft discretionary policy has been the subject of a previous report to Executive Cabinet in March 2022. The full guidance can be viewed here: <https://www.gov.uk/government/publications/the-council-tax-rebate-2022-23-billing-authority-guidance>
- 1.6 This report focuses on the detail of the Council Tax Rebate for Energy Discretionary Fund policy and which now requires approval from Elected Members.

2. DISCRETIONARY FUND POLICY GUIDANCE

- 2.1 In addition to the mandatory scheme (to pay all households a one-off payment for £150 for households in Bands A to D), a discretionary scheme must be developed. The funding allocated to Tameside is £530,400, and guidance suggests that this funding should be used to provide payments to other households who are energy bill payers but not covered by the rebate for energy. This may include households living in property valued in Bands E to H that are on income related benefits or those where the energy bills payers are not liable for

Council Tax.

- 2.2 Where Councils consider it the best means of supporting those in financial difficulty, the Discretionary Fund can offer ‘top-up’ payments to the most vulnerable households in bands A to D (for example, those on means tested benefits), or to offer discretionary support exceeding £150 per household. Support from the Discretionary Fund does not have to be provided in relation to the occupation position on 1 April 2022.
- 2.3 Once the Discretionary Fund Policy is determined (and approved where considered appropriate by Elected Members), Councils should publish their agreed guidelines setting out the eligibility criteria for their Discretionary Fund. The Discretionary Fund Policy will be available on the Councils website.
- 2.4 Councils should undertake pre-payment checks before providing support from the Discretionary Fund and allocations from the Discretionary Fund should be spent by 30 November 2022. Any remaining funding will be required to be repaid to government.
- 2.5 It is clear that we must maximise the use of the Discretionary Fund to benefit as many financially vulnerable residents in Tameside as possible, and ensure that payment is automatic and without the need for application where possible.

3. PROPOSED DISCRETIONARY FUND POLICY

- 3.1 Based on the guidance and considering available Council Tax data, the Council Tax Rebate for Energy Discretionary Fund Policy aims to support the financially vulnerable in Tameside in three different ways as follows:

Table 2: Potential Discretionary Fund recipients and date of scheme closure

Cat'gry	Eligibility criteria:	Operating Date:
One	Top-up payments for liable Council Tax payers in Bands A-D as at 1 April 2022 and in receipt of: <ul style="list-style-type: none">• Council Tax Support or• Severely Mentally Impaired discount or exemption or• Care leavers discount or• Carers discount or• Student exemption	25 August to 30 September 2022
Two	Liable Council Tax payers as at 1 April 2022 in Bands E-H in receipt of: <ul style="list-style-type: none">• Council Tax Support or• Severely Mentally Impaired exemption or• Care leavers exemption or• Carers discount or• Student exemption	29 August to 16 October 2022
Three	Other applications to be considered where hardship is evidenced	12 September to 30 November or as long as funding available.

- 3.2 Information has been taken from the Council Tax database to model both the potential numbers that could benefit from discretionary monies based on income and circumstance and the potential award per household and total overall costs.
- 3.3 In addition to modelling those considered financially vulnerable in Council Tax bands A-D,

the same cohort of residents has been modelled in higher banded properties of Bands E-H as these residents are equally financially vulnerable albeit living in larger properties. However, the numbers of potential recipients in higher banded properties are considerably lower than those in Bands A-D. Anyone living in a Band E property and above is not eligible to receive the mandatory £150 rebate for energy and so, depending on income, may qualify for a discretionary payment plus top-up amount of £25 and so their award would equal that of someone in the same circumstances in Council Tax band A-D. The proposed recipients of a discretionary award and estimated costings are detailed in the table below.

Table 3: Proposed Discretionary Fund recipients and award per household.

Category	Payment type	Awarded to liable Council Tax payers in receipt of:	Number eligible	Amount £ per eligible household	Cost £
One	Discretionary-Top-up payments Bands A-D	Council Tax Support or	16,930	25.00	423,250
		Severely Mentally Impaired (SMI) discount or exemption Care leavers discount or Carers discount or Student exemption	1,678 (total for SMI/care leavers/carers/Students)	25.00	41,950
Two	Discretionary - Eligible claimants in Bands E-H	Council Tax Support or	95	175.00*	16,625
		Severely Mentally Impaired (SMI) discount or exemption Care leavers discount or Carers discount or Student exemption	64 (total for SMI/care leavers/carers/Students)	175.00*	11,200
			18,767		493,025

* Note Bands E and above were not eligible to receive the £150 mandatory rebate for energy and so this award would be equal to those in the same circumstances in Bands A-D and in receipt of the same discounts or exemptions reflecting low income and financial vulnerability.

- 3.4 The remaining Discretionary Fund monies (estimated £37,375) may be awarded to any other applicants such as:
- Energy bill payers who do not have a Council Tax liability and are not covered by the mandatory rebate for energy scheme.
 - Energy bill payers who are fleeing situations of domestic violence experiencing hardship or,
 - Households in all Council Tax Bands A-H evidencing hardship
- 3.5 If the maximum award was set for this category at £100 this could benefit a further 373 residents subject to satisfactory evidence being provided.
- 3.6 The cohorts of potential recipients is similar to discretionary policies being put into place in most Greater Manchester authorities, and based on the potential recipients modelled above, and Tameside's draft Discretionary Fund Policy is detailed in **Appendix A**. The Discretionary Fund will close on differing dates or sooner subject to remaining government funded Discretionary Fund monies being available.

4 APPLICATION PROCESS

- 4.1 It is proposed that wherever possible the Discretionary Fund award is paid direct to potential recipients, however in some cases an application form and evidence may be required to determine eligibility and for audit purposes when awarding public funds.

Table 4: Application Process by Category of Recipient of the Discretionary Fund

Cat	Category	Application Process	Note
One	Discretionary - Top-up payments Bands A-D in receipt of qualifying Council Tax discount or exemption (Benefits an estimated 19,000 residents)	No application form required. Automatic payment into bank or credit to Council Tax account in accordance with preference expressed for mandatory payment.	Bank details are known for majority of residents in Bands A-D and so majority of recipients in this category will be paid direct to their bank account or Council Tax account where preference expressed for mandatory payment.
Two	Discretionary - Eligible claimants in Bands E-H in receipt of qualifying Council Tax discount or exemption (Benefits over 140 residents)	Automatic payment into bank where bank details known. Where bank details unknown eligible claimants will be contacted direct to apply.	Bank details are known where payment of Council Tax paid by Direct Debit. Council Tax account will be credited where bank details not provided after contact
Three	All other applicants (Benefits over 350 residents)	Application form and evidence required	Bank details may be known however application and evidence to support the application will be required to support the claim

- 4.2 Where an application form and evidence is required this will be made available on-line. As with the award of the mandatory £150 rebate for energy payment, telephone and in-person assistance will be available as required across the Borough. As a last resort where it has been identified that a person is eligible for an award from the Discretionary Fund and bank details cannot be obtained then the award can be credited to the Council Tax account as detailed in the guidance.

5 RISKS

- 5.1 There is a risk that the Discretionary Fund is over-subscribed, however as data on the specific categories by Council Tax band is known, and upon which the modelling has been based, this is expected to be a low risk as the majority of Tameside liable Council Tax payers will have received Energy Bill Rebate monies. Almost 96,000 Council Tax payers qualified for the mandatory rebate for energy from a total of 104,281 households liable for Council Tax in Tameside.
- 5.2 There is a continued risk that the quality of core business of collecting and recovery of Council Tax, Business Rates and Sundry Debts and the payment of Housing Benefit and Council Tax Support is affected while payment of the Council Tax Rebate for Energy is ongoing. Only statutory and essential work is likely to be undertaken and non-essential such as writing off debts will be suspended until later in the year. The government require weekly management information out of the council tax system and reconciliation of payments which also requires resource and assistance from Financial Management and Risk Management and Audit colleagues.

6 CONCLUSION

- 6.1 The government announced a rebate for energy to address the rising costs of energy and which was to be paid using Council Tax systems. The rebate was to award a mandatory £150 to all households in Bands A-D and £14.5m was allocated to Tameside for this purpose. A discretionary scheme was also to be put into place by each Council and the allocation for Tameside is £530,400.
- 6.2 The guidance suggests how Councils may use the discretionary monies and once the Discretionary Policy is determined (and approved where considered appropriate by Elected Members), Councils should publish their agreed guidelines setting out the eligibility criteria for their Council Tax Rebate for Energy Discretionary Fund. The Discretionary Fund Policy will be available on the Councils website.
- 6.3 Based on the guidance the proposed local Discretionary Fund aims to support as many financially vulnerable people in the Borough as quickly as possible. The proposals for the rebate for energy Discretionary Fund is detailed in Section 3 of the report and the Discretionary Fund Policy is detailed in Appendix A. Where possible monies will be paid automatically and the need to complete an application form and provide evidence has been limited as much as possible while being cognisant of the requirements for pre-payment checks to be undertaken. Information will be made available on the Councils website, social media channels and by direct contact with eligible residents.
- 6.4 Payments from the Discretionary Fund must be made by 30 November 2022 or sooner if the government monies are used before that date. Any remaining funds must be returned to central government. There is a risk that the Discretionary Fund applications may be oversubscribed, however steps have been taken to identify potential recipients and make a direct award and there is a continuing risk to core business as resources are diverted to paying the rebate for energy as soon as possible.

7 RECOMMENDATIONS

- 7.1 As set out at the front of the report.

APPENDIX A

COUNCIL TAX REBATE FOR ENERGY

DISCRETIONARY FUND POLICY

On 3 February 2022 central government announced that households in council tax bands A-D, would receive a £150 rebate.

In addition to funding for the eligible mandatory payments for properties in Bands A-D, Tameside was allocated additional funding for a discretionary scheme. This policy relates to the distribution of the funding for the discretionary scheme.

The Council's funding for the discretionary rebate for energy payment is limited. The Discretionary Fund will end on 30 November 2022 or sooner depending on the availability of funding. Discretionary rebate for energy payments can only be considered where funding is available. The Discretionary Fund Policy aims to support the financially vulnerable in Tameside in three different ways as follows:

ELIGIBILITY CRITERIA:

CATEGORY ONE: Households in Council Tax Bands A, B, C and D as at 1 April 2022 who are either

- in receipt of Council Tax Support , or
- have a Council Tax discount or exemption due to being Severely Mentally Impaired, a Carer discount, a Care Leaver discount or a Student exemption and
- have received £150 mandatory rebate for energy

This is expected to benefit over 19,000 Council Tax payers. Method of payment will be same as for mandatory payment. A 'top-up' payment of £25 will be made automatically into bank accounts where details held or credited to Council Tax accounts, and an application will not be required.. The 'top-up' category of the Discretionary Fund Policy will be implemented between 25 August and 30 September 2022. Only one 'top-up' payment per household will be made.

CATEGORY TWO: Households in Council Tax Bands E, F, G and H as at 1 April 2022 who are either

- in receipt of Council Tax Support, or
- have a Council Tax discount or exemption due to being Severely Mentally Impaired, a Carer discount, a Care Leaver discount or a Student exemption and
- are not eligible to receive the mandatory £150 rebate for energy.

This is expected to benefit over 140 Council Tax payers. Method of payment for Council Tax payers who pay by direct debit will be into bank accounts. Payment of £175 will be made automatically and an application will not be required. Those who do not pay by direct debit will be contacted direct to invite application for payment to be made direct into bank account. Where bank details are not provided the payment will be credited to eligible persons Council Tax account after 16 October 2022. This category of the Discretionary Fund Policy will be implemented between 29 August and 16 October 2022. Where eligible only one payment per household will be made from this category.

CATEGORY THREE: £100 payments will be considered, in addition to the above, in the following circumstances:

- Energy bill payers who do not have a council tax liability and are not covered by the mandatory rebate for energy scheme.
- Energy bill payers who are fleeing situations of domestic violence experiencing hardship.

- Households in all Council Tax Bands A-H evidencing hardship.

Applications will be required for £100 rebate for energy payments. Evidence of bank statements, recent energy bill, income and expenditure and household member details will be required. Only one payment of £100 will be paid per household. Payment will be made direct into bank accounts.

An application form must be completed where required and evidence provided as detailed above. Each application for this payment will be considered on its individual merits.

To apply please go to link [xxxx](#)

The government and Tameside Council will not tolerate any application falsifying records or providing false evidence to gain the rebate for energy. An applicant who falsely applies for rebate, provides false information or makes false representation in order to gain rebate may be guilty of fraud under the Fraud Act 2006. Rebate may be recovered in such cases.