

<b>REPORT TO:</b>	Leader of East Lindsey District Council
<b>REPORT OF:</b>	Deputy Chief Executive – Corporate Development (S151)
<b>REPORT AUTHOR:</b>	Assistant Director - Finance
<b>SUBJECT:</b>	Energy Rebate Discretionary Scheme
<b>PURPOSE:</b>	To approve the process for distributing the Energy Rebate Discretionary Scheme
<b>KEY DECISION:</b>	Yes
<b>WARD(S) AFFECTED:</b>	All
<b>EXEMPT REPORT?</b>	No

#### **SUMMARY**

On 3rd February 2022 the government announced measures to help protect millions of households from rising energy costs, including funding for billing authorities to support households who are in need but are not eligible for the core £150 Council Tax Energy Rebate, these funds must be distributed by 30 November 2022.

#### **RECOMMENDATIONS**

1. To approve the criteria and method of distribution for the energy rebate discretionary scheme as set out in option 1 (a hybrid approach) in section 2 of this report.
2. That delegated authority be given to the Deputy Chief Executive Corporate and Section 151 Officer in consultation with the Finance Portfolio Holder to agree final arrangements for the Scheme including the final value of the top up payment.

#### **REASONS FOR RECOMMENDATIONS**

- The scheme recommended will ensure the council targets support to low income/benefit households who have been identified through the means-tested Council Tax Support scheme. At the same time it seeks ensuring access to a payment for those households with direct energy cost responsibilities but who do not have responsibility for Council Tax.

## **OTHER OPTIONS CONSIDERED**

Option 2 (set out below) was considered but deemed not feasible as funds have to be distributed by 30th November 2022.

### **1. BACKGROUND**

- 1.1 On 3rd February 2022 the government announced measures to help protect millions of households from rising energy costs, including funding for billing authorities to support households who are in need but are not eligible for the core £150 Council Tax Energy Rebate.
- 1.2 Councils can determine locally how best to make use of its funding allocation to support those suffering financial hardship as a result of the rising cost of living, and may also wish to provide support to other energy bill payers who are not eligible under the terms of the core scheme; this might include properties in bands E-H on income related benefits, or where the energy bill payer is not liable for council tax. This can also be used to 'top-up' payments to the most vulnerable in Bands A-D.
- 1.3 The total national allocation for the Discretionary Fund is £144m and:  
ELDC's share is £342,000
- 1.4 In reaching a decision, regard should be had to the government objectives for the discretionary funding, extract provided shown below.
  - The government recognises that billing authorities may also wish to provide support to other energy bill payers who are not eligible under the terms of the core scheme, or to provide carefully targeted 'top-up' payments to the most vulnerable households in bands A to D. It will therefore provide every billing authority with a share of a £144 million Discretionary Fund, as per the allocations at Annex A.
  - Councils can determine locally how best to make use of this funding to support those suffering financial hardship as a result of the rising cost of living. This could 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. Where councils consider it the best means of supporting those in financial difficulty, they can use the discretionary fund to offer carefully targeted '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. Occupants of class M (student halls) are unlikely to be eligible for discretionary support, unless they are exposed to rising energy prices in a similar way to other households. Discretionary support should not be offered to occupants of property in exemption class O, where the Ministry of Defence will provide cost of living support. Support from the Discretionary Fund does not have to be provided in relation to the position on 1 April 2022.
  - Once determined (and approved where considered appropriate by elected members), councils should publish their agreed guidelines setting out the eligibility criteria for their Discretionary Fund.
  - Councils should undertake pre-payment checks similar to those described at paragraphs 23 to 29 before providing support from the Discretionary Fund.
  - Allocations from the discretionary fund should be spent by 30 November 2022. Any remaining funding will be required to be repaid to government.

## **2. REPORT**

- 2.1 A number of different scheme options and approaches have been considered for the distribution of the discretionary fund, with the key consideration to make best use of this funding to support those suffering financial hardship.

### **Option 1. A hybrid approach – Recommended**

- i. An automatic award of £150 to Council Tax Payers who on 1 April 2022 had their sole or main residence in a Band E-H property and on that date were in receipt of Council Tax Support.
- ii. An automatic award of £150 to Council Tax Payers who on 1 April 2022 in a Band E-H property where
  - All residents are classified as being severally mentally impaired, or
  - Solely occupied by students, school or college leavers (Council Tax class N exemption), or
  - Occupied only by those under the age of 18 (Council Tax class S exemption)
- iii. An automatic award of £150 to Council Tax payers who on the 1 April 2022 had their sole or main residence in a property where a Council Tax review, proposal or appeal made before 3 February 2022 is successful after 1 April 2022, and the dwelling would otherwise have been eligible for the core rebate, i.e. re-banded to A-D.
- iv. A 'top-up' payment (c. £24-£27) to Council Tax Payers who on 1 April 2022 had their sole or main residence in a Band A-D property and on that date were in receipt of Council Tax Support. (This group will have received £150 under the core scheme).

Awards under i – iv above, are limited to one payment per property.

- v. Application process for residents of properties on the 1 April 2022 that have been excluded from the core scheme (due to them not being liable for Council Tax) and where the responsibility for Council Tax falls with (for example) a Housing provider, a charity or a non-resident owner and the occupier is directly responsible for energy costs.

Application will be by online form and will require submission of evidence of occupation and direct payment of energy costs in support of an application.

The amount of payment for this element of the scheme will depend on the number of applications received. The application form will close on 30 October at which time the final amount (c£50 –up to a maximum £150) for payment will be determined based on numbers of applicants.

In the event of over subscription, the scheme will close early, and, as such will operate on a first come, first served basis.

### **Exclusions**

- With the exception of iv above, no discretionary payment will be made to a household that has already received a payment under the Council Tax Rebate scheme.

- Parties liable for council tax (or would be if the property was not exempt) that are a local authority, a corporate body or other body such as a housing association, the government or governmental body.
- Students living in halls of residence and to occupants of Ministry of Defence owned property are ineligible for an award under this scheme.

This option would see distribution of the majority fund targeted to support low income / benefit households, as identified through means tested Council Tax Support, and those potentially more vulnerable.

The application element to the scheme will also provide support for households with direct energy costs but no Council Tax liability.

### **Payment method**

Payment would be made by Post Office Voucher. This approach was proven to be successful and efficient as part of the core scheme, and, given the timescales for delivery of this discretionary scheme, is the most practical method of getting payments to people.

At the end of the scheme, any uncashed Post Office Vouchers will be cancelled, and the payment made onto the Council Tax account to ensure no one identified as eligible under the discretionary scheme misses out.

There will be no alternative payment method to applicants who have no Council Tax liability. Uncashed vouchers will be cancelled by the end of November for the scheme to be finalised.

### **Appeals**

Discretionary Energy Rebate awards and refusals do not carry any right of review or appeal to the authority or any Tribunal or Court.

### **Option 2. Application Based**

A wholly application-based scheme could be based either on a free text application process where applicants provide details of their personal and financial circumstances and their need for financial support, or the scheme could be based on a set of eligibility criteria which applicants must meet.

There is a risk with such a scheme that without proper analysis and development of a robust set of criteria, decisions could become subjective, reducing fairness and equity.

Such an approach would be administratively and resource intensive to set up and deliver.

With the timescales available for delivery, this option is not feasible.

## **3. CONCLUSION**

3.1 Whilst recognising there are many approaches that can be taken in scheme design, the recommendations made will ensure the council target support to low income/benefit households who have been identified through the means-tested Council Tax Support scheme. At the same time it seeks ensuring access to a payment for those households with direct energy cost responsibilities but who do not have responsibility for Council Tax.

3.2 This approach is consistent with guidance issued by central government, and is deliverable in the timescale required by central government for payments to be made by 30 November 2022.

#### **4. EXPECTED BENEFITS**

4.1 The following benefits are anticipated through delivery of the Discretionary energy rebate scheme:

- That the delivery of a comprehensive scheme can commence for the council
- That vulnerable, low-income households will be supported with significant rising living costs
- A single scheme ensures administration efficiencies and consistency of approach

#### **5. IMPLICATIONS**

##### **5.1 SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP**

5.1.1 Managing the Discretionary energy rebate scheme as a Partnership will ensure our previous experience of grant administration is utilised, that our local knowledge of our most vulnerable communities is identified, and processing efficiencies are realised. A single policy and scheme across the South & East Lincolnshire Partnership provides administrative efficiency and consistency in support for the most vulnerable residents in our communities.

##### **5.2 CORPORATE PRIORITIES**

5.2.1 The following Corporate Priorities are supported through the administration of the Discretionary energy rebate scheme:

East Lindsey District Council – 'Maximise healthy and active lives'

##### **5.3 STAFFING**

5.3.1 This fund will cover all staffing and associated administrative costs to support efficient and effective distribution of funds to the most vulnerable in our communities.

##### **5.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS**

5.4.1 Due to the urgency of the administration of the Discretionary energy rebate scheme this decision is made under general exemption rule with the appropriate notifications of intentions made to the Chairs of each Council's Overview/Scrutiny Committee in line with each sovereign council's individual constitutions.

##### **5.5 DATA PROTECTION**

5.5.1 All personal data will be administered following data protection legislation.

##### **5.6 FINANCIAL**

5.6.1 Rebate distribution will be within the allocation for the council and administration costs will be covered by internal resources and new burdens funding.

## **5.7 RISK MANAGEMENT**

5.7.1 By approving the method for the distribution of scheme monies, this will ensure the funding can be utilised by vulnerable households without delay whilst mitigating against the risk of not drawing down funding made available to the Council.

## **5.8 STAKEHOLDER / CONSULTATION / TIMESCALES**

5.8.1 Due to the need to make an urgent decision to proceed with delivery the appropriate Chairs of each Council's Overview or Scrutiny Committee have been notified and members have been briefed on the delivery of the scheme.

## **5.9 REPUTATION**

5.9.1 By delivering the Discretionary energy rebate scheme to eligible households facing significant increases in cost of living, the Councils maintain their reputation for supporting vulnerable residents and delivering trusted welfare support.

## **5.10 CONTRACTS**

5.10.1 All appropriate procurement exemption notices have been applied in line with the sovereign council's individual constitutions.

## **5.11 CRIME AND DISORDER**

5.11.1 *None*

## **5.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

5.12.1 The scheme is being developed with regard to the legislative duties of Equality Act 2010. Grants will available to all residents regardless of their age, disability, gender, marital status, race, religion, sex or sexual orientation.

5.12.2 Supporting residents vulnerable to financial hardship is a preventative approach to safeguarding.

## **5.13 HEALTH AND WELL BEING**

5.13.1 The discretionary energy rebate scheme target support to low income/benefit households who have been identified through the means-tested Council Tax Support scheme

## **5.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

5.14.1 *None*

## **5.15 LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER**

<b>MISSIONS</b>	
<b>This paper contributes to the follow Missions outlined in the Government's Levelling Up White paper.</b>	
<b>Living Standards</b>	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.

<b>Health</b>	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
<b>Wellbeing</b>	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
<b>Local Leadership</b>	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

## 6. ACRONYMS

*None*

<b>APPENDICES</b>
<i>None</i>

<b>BACKGROUND PAPERS</b>
<i>None</i>

<b>CHRONOLOGICAL HISTORY OF THIS REPORT</b>
<i>None</i>

<b>REPORT APPROVAL</b>	
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