

Notice of KEY Executive Decision

Subject Heading:	£150 Energy Rebate Scheme 2022
Decision Maker:	Cllr Roger Ramsey, Cabinet Member for Finance and Property
Cabinet Member:	Cllr Roger Ramsey, Cabinet Member for Finance and Property
SLT Lead:	Dave McNamara, Director of Finance
Report Author and contact details:	Chris Henry, Head of Council Tax & Benefits
Policy context:	Support to help households with rising energy bills in 2022-23.
Financial summary:	The £150 Energy Rebate Scheme 2022 for properties banded A to D has government funding of £12,007,950. For properties banded E to H the Discretionary Fund is £684,900. New burdens funding will be provided for the cost of administration.
Reason decision is Key	Significance in excess of £500,000 and impact on communities in two or more wards of the borough
Date notice given of intended decision:	5 March 2022

Key Executive Decision

Relevant OSC:	Overview and Scrutiny Board
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Government announced a package of support to help households with energy bills that have risen because of the surging demand for energy as countries come out of lockdown around the world.

The package included the £150 Energy Rebate scheme and the Energy Rebate Discretionary scheme.

The recommendations below have been made with due regard to Government guidance and the tight timescales involved.

Recommendations

1. To note the provision of £150 Energy Rebate to 81,160 Havering households in properties banded A to D in accordance with government guidance from the main fund of £12,007,950.
2. To note the £150 Energy Rebate for property bands A to D and the Energy Rebate Discretionary funding for property bands E to H must be spent by 30 September 2022 and 30 November 2022 respectively.
3. To note a further report will be submitted regarding the Discretionary funding of £684,900 and the Discretionary Energy Rebate Scheme which will be designed in accordance with Government guidance.

AUTHORITY UNDER WHICH DECISION IS MADE

The Council's Constitution
Part 3, Section 2 - Executive Functions

The Leader of the Council may choose to execute functions personally where the function is usually delegated to:

1. Cabinet
2. A committee of the Cabinet
3. Individual Cabinet Members
4. Staff
5. Joint Committees

And may exercise any Executive functions personally provided notice is given to the Proper Officer.

Key Executive Decision

In this instance para. 2.2 (a) (i) To take decisions relating to the Councils finances including but not exclusively budget control.

STATEMENT OF THE REASONS FOR THE DECISION

1 Introduction

- 1.1 As part of the Government's ongoing support to rising fuel costs, it announced on the 3 February 2022 the £150 Energy Rebate Payment for most households in Council Tax Bands A to D. The Government also announced the Discretionary Energy Rebate Scheme of up to £150 for properties in Band E to H. Details of the announcement can be found here [4/2022: Council Tax information letter - 15 February 2022 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/4/2022/Council-Tax-information-letter-15-February-2022)
- 1.2 In their guidance Government cover the operation and delivery of the Energy Rebate and the Discretionary Fund. Details of the guidance can be found here [Support for energy bills - the Council Tax rebate 2022-23: billing authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/support-for-energy-bills-the-council-tax-rebate-2022-23-billing-authority-guidance)
- 1.3 The Government has allocated £12,007,950 funding to Havering to provide £150 Energy Rebate to almost every household in Council Tax banded A to D properties. A further £684,900 discretionary funding has been provided to support households in Council Tax banded E to H properties. Funding has been calculated based on the index of multiple deprivation. Details of the allocation and methodology can be found here [Council Tax rebate: allocation methods - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/council-tax-rebate-allocation-methods)

2 A Summary of the Government Guidance

- 2.1 Havering is required to provide a £150 one-off payment to a liable Council Tax payer (or a person who would otherwise be liable where the property is exempt) for every household that occupies a property which meets the following criteria on 1 April 2022.
- It is valued in Council Tax bands A to D. This includes property that is valued in band E but has an alternative valuation band of band D; as a result of the disabled band reduction scheme,
 - It is someone's sole or main residence and they are liable for Council Tax on the day of 1 April 2022,

Key Executive Decision

- It is a chargeable dwelling, or in exemption classes N (wholly occupied by students, S (occupants under 18), U (occupants severely mentally impaired) or W (granny annexe) and
- The person who is liable to pay the Council Tax (or would be were the property not exempt) is not a local authority, a corporate body or other body such as a housing association, the government or governmental body.
- A property that meets all the criteria, but has a nil Council Tax liability because of Council Tax Support will be eligible.

2.2 A property will not be eligible under the following conditions.

- There is no permanent resident and the property is someone's second home,
- It is unoccupied (for the purposes of calculating Council Tax).

2.3 The guidance originally stated only one £150 payment should be made per household, regardless of the number of occupants or liable Council Taxpayers.

2.4 Any over-funding of grant for the band A to D £150 Energy Rebate must be paid back to Government and any under-funding will be settled with Councils following a reconciliation.

2.5 The guidance states where a council holds live direct debit instructions for a liable Council Taxpayer of an eligible household, they should make an automatic payment as early as possible in 2022-23. Government recommend that the £150 Energy Rebate is paid after the first direct debit of 2022-23 has cleared.

2.6 Where direct debit details are not held, Councils are expected to use the software available to invite and process claims. However, as all payments must be made by 30 September 2022, Councils can choose to offer £150 credit to an eligible household's Council Tax account.

2.7 With regard to the discretionary fund, it is up to each authority to determine the criteria for the scheme to support households not eligible for the £150 Energy Rebate. It can be passed on as one-off payment of up to £150 per household in property bands E to H.

2.8 Further guidance indicates the discretionary funding can also be used to top up households already in receipt of £150. The proposal for Havering's Discretionary Energy Rebate Scheme will be the subject of a separate report.

2.9 Any unspent discretionary funding by 30 November 2022 must be repaid to government and in the event of an overspend, no additional funding will be provided.

2.10 Councils are expected to verify data, undertake pre-payment checks and evidence claims to prevent or reduce fraud. Payments made under the Energy Rebate scheme are non-taxable and disregarded for the purposes of benefits.

Key Executive Decision

- 2.11 Government will conduct an assessment of the expected reasonable additional costs of administration and fund authorities under the new burdens doctrine. A date for the allocation of administration funding details has not yet been provided.
- 2.12 The Government does not have a role to play in disputes and challenges which it advises should be dealt with under the Complaints process.

3 London Benchmarking Data

- 3.1 In March 2022, 16 London Councils responded to a survey about the Energy Rebate. The responses can be found at Appendix A – Energy Rebate Survey London Councils.
- 3.2 Two Councils have planned their Discretionary Energy Rebate Scheme so far. Brent and City Council will provide £150 Energy Rebate to all properties in receipt of Council Tax Support in Bands E to H.
- 3.3 Eleven authorities will offer to reduce the Council Tax account with the Energy Rebate and manage the discretionary scheme in-house.

4 The £150 Energy Rebate Scheme for Property Bands A to D

- 4.1 In Havering there are 81,160 properties in bands A to D of which 53,115 households pay by direct debit. These accounts will be prioritised for automatic payment to the tax payer's bank account subject to significant new software which the Council Tax application software supplier is in the process of developing.
- 4.2 The remaining non-direct debit households in bands A to D of which there will be 28,045 will also be considered for payment direct subject to bank details. If by 1 August 2022, following reasonable efforts to invite claims and locate bank details, the payment has not been made to the household, it will be credited to the Council Tax account.
- 4.3 Properties in band E that receive a disabled band reduction will be eligible for a £150 Energy Rebate.
- 4.4 We'll publish a number for them to contact and let CAB and other voluntary organizations know so that they can assist residents too to complete the form.
- 4.5 The table below shows the current properties in Band A to D and proposed funding of £12,174,000. If Havering do exceed their funding amount of £12,007,950, Government have said they will settle the difference following a reconciliation exercise. The current shortfall in funding is £166,050.

Key Executive Decision

Council Tax Band	A - D £150 Value	Band Count
A	£825,750	5,505
B	£1,635,000	10,900
C	£4,284,300	28,562
D	£5,428,950	36,193
Total	£12,174,000	81,160

5.0 The Discretionary Energy Rebate Scheme

5.1 The Discretionary Energy Rebate Scheme will be developed following Government guidance and be submitted shortly in a separate report.

6.0 Communication

6.1 In March 2022, a sentence was added to the annual Council Tax bills which states “The Government is providing a £150 one-off Energy Bills Rebate for most households in Council Tax bands A-D”. An information pamphlet has also been issued with every bill about the £150 Energy Rebate.

6.2 Regular email bulletins have been issued regarding the Energy Rebate since the Government and these will continue over the coming months.

6.3 A web page dedicated to Energy Rebate has also been set up on the Council’s website. This page will be regularly be updated to encourage tax payers to claim their £150 Energy Rebate.

7.0 Next Steps

7.1 Subject to approval of this report, the first phase of this project will be to develop and test the software for the £150 Energy Rebate and Energy Rebate Discretionary Scheme. Priority will then be given to paying the £150 Energy Rebate to those households in property bands A to D on direct debit.

7.2 An online form will be developed for non-direct debit households in property bands A to D to collect bank details so that the rebate can be paid direct to bank accounts.

Key Executive Decision

OTHER OPTIONS CONSIDERED AND REJECTED

Third party providers such as DABD and Allpay were considered.

DABD was considered and rejected due to the large volume of transactions required to be undertaken in a short period of time.

Similarly third party suppliers were also not considered suitable due to the time needed to specify, procure and contract with them.

PRE-DECISION CONSULTATION

The changes required by this report have not been the subject of consultation due to the short timescale and notice given by Government and the statutory nature of the requirements. SLT and Exchequer and Transactional Services have been consulted regarding this decision.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Chris Henry

Designation: Head of Council Tax & Benefits

Signature:



Date:

24 March 2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

There is no obvious risk to the Council. Section 4 of the Local Government Finance Act 1992 sets out the definition of a chargeable dwelling. Classes N, S, U and W are set out at article 3 of the Council Tax (Exempt Dwellings) Order 1992 (as amended by the Council Tax (Exempt Dwellings) (Amendment) Order 1993, the Council Tax (Discount Disregards and Exempt Dwellings) (Amendment) Order 1995 and the Council Tax (Chargeable Dwellings, Exempt Dwellings and Discount Disregards) Amendment Order 1997). The disabled band reduction scheme refers to reductions provided under the Council Tax (Reductions for Disabilities) Regulations 1992.

The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 came into force on the 12th February 2022. The regulations require the following explanatory sentence to be included in council tax demand notices (bills) issued to households in respect of 1 April 2022: "The Government is providing a £150 one-off Energy Bills Rebate for most households in council tax bands A-D". This has been undertaken as set out in paragraph 6.1 above.

FINANCIAL IMPLICATIONS AND RISKS

This is a fully funded Government initiative who will provide £12,007,950 for the £150 Energy Rebate scheme in March 2022. It is expected that all payments are reconciled and that any under-funding is settled after the scheme ends on 30 September 2022. The shortfall in funding on the Band A to D is estimated at £166,050, which the Government has undertaken to fund following the reconciliation process.

The Discretionary Fund of £684,900 will be closely monitored to ensure there is no overspend as no additional funding will be provided by Government.

Government will be providing new burdens funding for the cost of administration and this figure is currently unknown. Therefore, there is a risk that the new burdens allocation will not meet the cost of resources required to administer the schemes. If that is the case, it will impact the revenues budget.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no human resource implications to this decision other than additional temporary resources will be required to support the operation of the scheme.

The temporary resource will come from fixed term-contracts and overtime, Government will fund in line with new burdens and engagement and recruitment will be undertaken in line with the Council's Human Resource Policy.

--

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The public sector equality duty requires public bodies to pay due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- advance equality of opportunity between people who share a protected characteristic and those who do not;
- foster good relations between people who share a protected characteristic and those who do not

The Equality Act 2010 and the Public Sector Equality Duty (outlined above) cover the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

The government scheme is not universal and excludes properties in property bands E to H, which are the larger properties. The Service proposes to establish a discretionary scheme, described above, that seeks to provide support to the least well off households in bands E to H and credit their account with £150.

In addition, a credit of £20 will be credited to all other households in band E to H properties under the discretionary scheme. This is a fair and equitable distribution of the discretionary funding as the majority of occupied households in the borough will receive either a payment or credit according to the size of their property or financial need.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Havering council is committed to improving the health and wellbeing of all residents including those most vulnerable. The purpose of this decision is to provide financial support to all households who will be impacted by the rising energy costs.

The financial support provided to vulnerable households in the borough will have a positive impact on residents' health and wellbeing.

There are no identifiable risks or negative implications to this report.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

--

Key Executive Decision

There are no environmental impacts currently anticipated from the recommendations contained within this report.

BACKGROUND PAPERS

Council Tax Information Letter:

[4/2022: Council Tax information letter - 15 February 2022 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/4/2022/Council-Tax-information-letter-15-February-2022)

Government Guidance:

[Support for energy bills - the Council Tax rebate 2022-23: billing authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/support-for-energy-bills-the-council-tax-rebate-2022-23-billing-authority-guidance)

Funding allocation method:

[Council Tax rebate: allocation methods - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/council-tax-rebate-allocation-methods)

APPENDICIES

Appendix A – Energy Rebate Survey London Councils

Key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed 

Name: Councillor Damian White

Cabinet Portfolio held: Leader of the Council

CMT Member title:

Head of Service title

Other manager title:

Date: 14/04/2022

Lodging this notice

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____

Executive Decision Report Audit Trail

Key Executive Decision

Position/Title	Directorate	Date Sent	Date received	Date Cleared
	Cabinet Lead Member			
	SLT Director			
	Legal			
	Finance			
	Human Resources			
	Equalities			
	Health			
	Democratic Services			