

Notice of KEY Executive Decision

Subject Heading:	Energy Rebate Discretionary Scheme 2022
Decision Maker:	Ray Morgon, Leader of the Council
Cabinet Member:	Chris Wilkins
SLT Lead:	Dave McNamara, Director of Finance
Report Author and contact details:	Chris Henry, Head of Council Tax & Benefits
Policy context:	Discretionary financial support aimed at households in Bands E to H with rising energy bills in 2022-23.
Financial summary:	The Discretionary Fund is a ring-fenced Government grant of £684,900. New burdens funding will be provided for the cost of administration.
Reason decision is Key	Anticipated Income and Expenditure will be in excess of £500,000.
Date notice given of intended decision:	5 March 2022

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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 £150 Energy Rebate for properties in Council Tax bands A to D have been the subject of an earlier report.

The recommendations below have been made with due regard to Government guidance and the tight timescales involved in respect of the Energy Rebate Discretionary Scheme.

Recommendations

1. To approve the Energy Rebate Discretionary Scheme for Council Tax property Bands E to H, as set out in paragraphs 4.0 to 5.0.
2. That in accordance with the Scheme, £199,050 from the Discretionary fund is allocated to 1,327 households who are in receipt of Council Tax Support, disabled reduction, free adult social care, a severe mental impairment exemption class and residing in a property banded E, F, G or H. Each household to receive £150 Council Tax Energy Rebate in accordance with the Discretionary Scheme.
3. That £17.00 Energy Rebate is made available to the Council Tax accounts of 24,056 Havering households residing in property bands E to H who are not eligible for the discretionary £150 payment. This will be at a cost of £408,952 to the Discretionary Fund.
4. That the remaining £76,898 is set aside for applications from low-income households in shared accommodation or as a top-up for households who have received £17 credit to their Council Tax account.
5. To note the Energy Rebate Discretionary funding for property bands E to H must be spent by 30 November 2022.
6. To delegate to the Director of Exchequer and Transactional Services any minor changes to the Energy Rebate Discretionary Scheme, assess eligibility if necessary, develop a policy (if need be) and keep the portfolio holder up to date.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 of the Constitution- Responsibility for Functions: Para. 2.2 (a) (i) relating to taking decisions relating to the Councils finances including but not exclusively budget control.

STATEMENT OF THE REASONS FOR THE DECISION

1 Introduction

- 1.1 On the 3 February 2022, Government announced the £150 Energy Rebate Payment to support households with rising fuel costs. The Discretionary Energy Rebate scheme forms part of that package which is made available primarily to support households in Council Tax Bands E to H with a payment of up to £150. Details of the announcement can be found here [4/2022: Council Tax information letter - 15 February 2022 \(publishing.service.gov.uk\)](#)
- 1.2 The Government has allocated £684,900 discretionary funding to support households in Council Tax bands E to H properties and funding has been calculated based on the index of multiple deprivation. Details of the guidance , allocation and methodology can be found here [Support for energy bills - the Council Tax rebate 2022-23: billing authority guidance - GOV.UK \(www.gov.uk\)](#) and [Council Tax rebate: allocation methods - GOV.UK \(www.gov.uk\)](#)

2 A Summary of the Government Guidance

- 2.1 It is up to each Council to determine the criteria for the Energy Rebate Discretionary scheme. It can be passed on as one-off payment of up to £150 per household in property bands E to H.
- 2.2 Further guidance indicates the discretionary funding can also be used to top up households already in receipt of £150.
- 2.3 Any discretionary funding which remains unspent by 30 November 2022 must be repaid to Government. Any overspend will be covered by the general fund as Government will not provide additional funding.

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2.4 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.

2.5 Government has allocated £118,176 to Havering under the new burdens doctrine to cover the cost of the discretionary and main Energy Rebate scheme.

2.6 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 A London Councils' survey was undertaken in April 2022 to look at the approach being taken by other London Councils to the Discretionary Scheme. 25 Councils responded to the survey which is attached at Appendix A, and the content is summarised below.

3.2 Fourteen Councils plan to give a discretionary payment to households in Band E to H who are in receipt of Council Tax Support.

3.3 Thirteen Authorities are considering reducing the Council Tax account with the Discretionary Energy Rebate rather than pay directly to the tax payer's bank account.

3.4 Four Councils will consider a discretionary payment for households not liable for Council Tax such as residents of houses in multiple occupation.

3.5 Four London Authorities are considering providing further payments or top-ups to the most vulnerable households in bands A to D.

4 Design, Principles and Proposal for Havering's Energy Rebate Discretionary Scheme

4.1 The Council has carefully considered how it can best use the discretionary funding to support households with their energy bills.

4.2 In designing the Havering Energy Rebate Discretionary Scheme, it has been noted that for the main scheme, all occupied households in bands A to D will receive £150 regardless of their financial status. As the energy rise affects all households, it is proposed that a sum or credit is also provided to all households in Bands E to H.

4.3 The underlying principles and conditions of the Havering Energy Rebate Discretionary Scheme include the following:

- All qualifying households must be liable for Council Tax at the 1 April 2022 and it is the liable person's sole or main residence.

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- A property that has no permanent resident and is someone's second home will not be eligible.
- An unoccupied property (for the purposes of calculating Council Tax) will not be eligible.
- The scheme should be efficient and minimise the resources required for the cost of administration.
- The scheme design will minimise customer time by avoiding complex online applications.
- The scheme should maximise expenditure and support as many households in property bands E to H within the envelope provided.
- Any taxpayer in Band A to D receiving the main £150 Energy Rebate, will not qualify for a credit or payment under the discretionary scheme. The tax payer will be advised to make an application for help under the Emergency Assistance scheme.
- All households in receipt of Council Tax Support on 1 April 2022 in Tax Bands E to H to receive a payment or credit of £150 to their Council Tax account.
- All households in exemption class U (occupants are severely mentally impaired) on 1 April 2022 in Tax Bands E to H to receive a credit to their Council Tax account or payment of £150.
- All households on 1 April 2022 receiving a disabled band reduction in Bands F to H to receive a credit to their Council Tax or payment of £150.
- All households not in receipt of Council Tax Support on 1 April 2022 in Bands E to H to receive a credit of £17.00 to their Council Tax account.
- It is a chargeable dwelling, or on 1 April 2022, and the liable person is not a local authority, a corporate body or other body such as a housing association, the government or governmental body.

4.4 In Havering there are an 25,383 properties in bands E to H not subject to the main Energy Rebate scheme. Of these properties, 954 households are in receipt of Council Tax Support. At the beginning of March 2022, 195 properties received a disabled band reduction or are in the severe mental impairment (SMI) exemption class.

4.5 To help low income households, the 954 households in receipt of Council Tax Support will receive a payment of £150. The 195 properties receiving a disabled band reduction or SMI exemption will also receive a payment of £150. This will be a draw of £172,350 on the discretionary fund leaving a balance of £512,550. Those households paying by direct debit will have their Discretionary Energy Rebate paid direct to their bank account.

4.6 In addition, a further 178 households in receipt of free Adult Social Care have been identified as on a low income and the scheme proposes to also provide a payment of £150 Discretionary Energy Rebate to this cohort.

4.7 The non-direct debit households receiving Council Tax Support in bands E to H will also be considered for payment direct subject to bank details. However, if by 1 September 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.

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4.8 £76,898 has also been allocated to households who are not liable for Council Tax and reside in houses in multiple occupation or those who require a top-up to the £17 Discretionary payment and other. This will be an application process for which evidence of hardship and proof of energy bills will be required. The rebate awarded in total will not exceed £150.00

4.9 To maximise support fairly to as many households as possible, 24,056 properties in bands E to H not receiving Council Tax Support, disabled band reduction or in the severe mental impairment exemption class will receive a credit of £17 each to their Council Tax account at a cost of £408,952 to the Energy Rebate Discretionary Fund.

5.0 Disputes and challenges will be dealt with under the Council's complaint procedure.

6 Energy Rebate Discretionary Scheme Funding Allocation

6.1 A breakdown of the £684,900 discretionary fund proposed expenditure is shown below.

Coun cil Tax Band	CTS Count	Disc £150 CTS Value	SMI/ DR Coun t	*SMI/ DR** £150 Value	Adult Social Care Count	Adult Social care £150 Value	Remain Count	Remain £17 Value
E	760	£114,000	45	6,750	97	£14,550	14,589	£246,891
F	151	£22,650	83	12,450	43	£6,450	6,200	£104,992
G	43	£6,450	50	7,500	30	£4,500	2,947	£49,589
H	0	£0	17	2,550	8	£1,200	320	£5,304
	954	£143,100	195	£29,250	178	£26,700	24,056	£408,952

*DR=estimated Disabled Reduction

**SMI=Severe Mental Impairment

Discretionary Fund	£684,900
£150 x 1,327	£199,050
£17 x 24,056	£408,952
Application process	£76,898

6.2 The Energy Rebate Discretionary Scheme will be closely monitored and cease once all funding has been spent or by 30 November 2022.

7.0 Communication

7.1 The web page dedicated to the Energy Rebate will be updated with the Energy Rebate and Discretionary policy.

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- 7.2 Email bulletins will also be issued regarding the Energy Rebate Discretionary scheme and these will continue over the coming months.
- 7.3 A web page dedicated to Energy Rebate has been set up on the Council's website. This page will be updated and will include an online application for tax payers to claim their £150 Energy Rebate.
- 7.4 The Council Tax Service will write to eligible tax payers eligible requesting they provide their banks details to receive their £150 discretionary payment.

8.0 Next Steps

- 8.1 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 Discretionary Scheme. Priority will then be given to paying the £150 Energy Rebate Discretionary payment to those low income households who pay their Council Tax by direct debit.
- 8.2 At the same time, the Council Tax service will also write to non-Direct Debit tax payers entitled to the £150 discretionary scheme payment requesting them to go online and complete a short application form to receive form to receive their payment.
- 8.3 After that, work will commence on the remaining elements of the discretionary scheme with the aim of making all payment or crediting Council Tax before 30 November 2022.

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

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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:

14 July 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

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. Any underspend of the funding will also be reclaimed by Government.

Government has provided £118,176 new burdens funding which will cover the cost of administration for both the Main and Discretionary Energy Rebate schemes.

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 resource will come from temporary contract staff and overtime. Government has funded under 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

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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 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, £17 will be provided 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 a payment according to the size of their property or financial need. It is also comparable to the main scheme where all households regardless of their income, receive £150 towards the costs of rising fuel prices.

An EqHIA is attached at Appendix B – EqHIA Energy Rebate Discretionary Scheme 2022.

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

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

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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)

APPENDIX

Appendix A – Energy Rebate Survey London Councils

Appendix B – EqHIA Energy Rebate Discretionary Scheme 2022

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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:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

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 _____

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