

Notice of KEY Executive Decision

Subject Heading:	Energy Bill Support Scheme Alternative Funding
Decision Maker:	Dave McNamara, Director of Finance
Cabinet Member:	Chris Wilkins, Councillor
SLT Lead:	Dave McNamara, Director of Finance
Report Author and contact details:	Chris Henry Chris.henry@havering.gov.uk
Policy context:	This scheme will provide households who were not eligible for the £400 and £200 Rebate from energy suppliers and Government to apply for a payment of £400 or £200 subject to conditions to be paid by the Council.
Financial summary:	A ring-fenced government grant of £1,100,000 and £71,000 has been made available to support households not eligible for the automatic Energy Support Scheme GB and the automatic Alternative Fuel Payment scheme.
Reason decision is Key	Expenditure of £500,000 or more.
Date notice given of intended decision:	20 February 2023

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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

People - Things that matter for residents

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Local Authorities have been asked to assist Government deliver two new schemes for households who missed out on the main Energy Bill Support Scheme and Alternative Fuel Payment Scheme. They have missed out because they do not directly contract with a domestic supplier or use fuels other than gas to heat their homes.

Recommendations

For the reasons stated in this report and its appendices the S151 Officer is recommended:

1. To agree and accept up to £1,100,000 to fund the Energy Bill Support Scheme and £71,000 to fund the Alternative Fuel Payment Scheme, made available by the Government.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3.10.3 [s151 Officer Functions]

(m) To accept grants and the terms and conditions thereof for and on behalf of the Council.

STATEMENT OF THE REASONS FOR THE DECISION

1.0 Introduction

1.1 On 14 November 2022, Government (Department for Energy Security & Net Zero (DESNZ)) announced its intention to work in partnership with Local Authorities to deliver Alternative Funding to help with consumers' energy bills.

1.2 There will be two schemes under the Alternative Funding, the Energy Bill Support Scheme Alternative Fund (EBSS AF) and the Alternative Fuel Payment Alternative Fund (AFP AF) which are summarised in points 2.0 and 3.0 of this report.

1.3 Both the EBSS AF and AFP AF schemes require an application to be made through the Gov.UK portal and applicants must be eligible on the day they apply and provide evidence to support their application.

1.4 Government considered a range of delivery mechanisms and determined that Councils that are responsible for council tax records and council tax collection should act as the delivery bodies for the Alternative Funding.

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1.5 Appendix A Minister Stuart Letter to LAs on Alternative Funding Support for Energy Bills 14112022 and Appendix B Minister Stuart letter to Leaders about Alternative Fuel Payments Alternative Fund 09022023 from Government introduce the schemes.

2.0 EBSS AF Energy Bill Support Scheme Alternative Fund

2.1 The Energy Bills Support Scheme provides a discount on energy bills of £400 for most households in Great Britain. This scheme is being delivered through domestic electricity suppliers in six instalments from October 2022 to March 2023. However, there are a number of households who pay for their electricity in a different way, such as through a commercial intermediary, and so they will not receive support through this scheme. EBSS AF was set up to provide the £400 payment to these households.

2.2 The EBSS AF is a one-off £400 non-repayable payment to eligible households. DESNZ advise the scheme should commence on 27 February 2023 and finish on 30 June 2023. Key dates are set out in the table below.

KEY DATES	
Scheme 'go live'	27 February 2023
Scheme closes to new applications	31 May 2023
Final date for payments to be posted in the local authority financial system	30 June 2023
Final date for payments to be defrayed from the local authority bank account	7 July 2023
Final date for scheme reconciliation data to be sent by a local authority to DESNZ	31 July 2023

2.3 General conditions for eligibility will include the following:

- The dwelling for which support is being claimed is the main or sole residential address of the applicant
- The applicant or resident is responsible for paying for energy used in the dwelling as part of a service charge, rent or other arrangement, and may, through these charges increasing, have the impact of increased energy bills costs passed on to them between 1 October 2022 and 31 March 2023
- The household is not already receiving EBSS payments, either through the main EBSS scheme or the EBSS Alternative Funding, in whole or in part
- The household dwelling is not a business premises

2.4 Eligible households may include the following:

- park home residents
- housing association, social and private tenants, and leaseholders, supplied via a landlord with a commercial meter
- partly and wholly self-funded care home residents
- households in house boats on residential moorings
- households on a private electricity network, for example those supplied by a heat network
- off-grid households

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- traveller households on authorised sites
- households who live in a dwelling on business premises that is used wholly or partly for domestic purposes
- households in temporary/supported accommodation
- Certain households on business premises and in non-permanent accommodation

2.4 Exclusions to EBSS AF may include the following:

- Premises that have a primary domestic supply contract who are eligible for funding through the main Energy Bill Support Scheme such as:
 - where a landlord rather than a tenant holds the domestic electricity supply contract, and therefore the landlord is eligible for the EBSS payment (and should have passed the benefit through to their tenants)
 - premises who have previously received one or more EBSS payments, including where a premises has multiple unrelated meter points which have been excluded from EBSS eligibility.
- Second homes or holiday homes are excluded from EBSS AF. The dwelling must be the only main or sole residential address of the applicant.
- Households who are not responsible for paying for energy used are not in scope of the scheme. Therefore, the following groups are excluded from the scheme:
 - Students living in purpose-built student accommodation
 - Seasonal workers living in associated accommodation
 - Service occupiers such as security, building caretakers, property guardians
 - Fully publicly-funded care home residents

The eligibility criteria are set out in guidance which is appended at Appendix C EBSS Alternative Funding Scheme Guidance 21 February 2023.

3.0 APF AF Alternative Fuel Payment Alternative Fund

3.1 The Alternative Fuel Payment provides a payment of £200 for households that use alternative fuels such as heating oil, biomass and liquefied petroleum gas. For most households in Great Britain, the main part of this scheme is being delivered through domestic electricity suppliers automatically in one instalment in February 2023. There will be a small number of households that will be required to apply to the scheme who may not have a direct relationship with their supplier. The AFP AF was set up to provide the £200 payment to these households.

3.2 The scheme also targets households that use alternative fuels as their main source of heating and are responsible for these fuel payments. This could be as part of a service charge, rent or other arrangement.

3.3 No household will be eligible to receive the automated fuel payment and the AFP AF payment. Key dates for the scheme are provided in the table below.

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KEY DATES	
Scheme 'go live'	6 March 2023
Scheme closes to new applications	31 May 2023
Final date for payments to be posted in the local authority financial system	30 June 2023
Final date for payments to be defrayed from the local authority bank account	7 July 2023
Final date for scheme reconciliation data to be sent by a local authority to DESNZ	31 July 2023

3.4 General conditions for eligibility will include the following:

- The dwelling on the day of application is the sole or main residence of the applicant.
- The householder is responsible for the alternative fuel charge which is the main source of heating between 1 September 2022 and 31 May 2023.
- The household has not already received an automated alternative fuel payment.
- With limited exception the dwelling is not a business premises.

3.5 Eligible households remain the same as for EBSS AF and are reflected in point 2.4 above.

3.6 Exclusions to AFP AF may include the following:

- Premises that have a primary electricity supply contract such as
 - where a landlord holds the electricity supply contract or
 - The premises previously received a payment, including where a premises has multiple unrelated meter points which have been excluded from AFP eligibility.
- Second or holiday homes.
- Students living in purpose built accommodation.
- Seasonal workers living in associated accommodation.
- Service occupiers such as security, building caretakers, property guardians.

3.7 Detailed guidance is provided by DESNZ at Appendix D AFP AF Guidance for Local Authorities.

4.0 Operation and Delivery of EBSS AF and AFP AF Schemes

4.1 The guidance in Appendix C and D provide detailed information on the process and the roles for authorities and DESNZ which have been summarised below.

4.2 The application process for both schemes will be jointly administered by DESNZ and billing authorities. There will be only one route in to apply, the Gov.UK portal.

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4.2 Applicants will be able to provide information and upload documents to support their application. DESNZ will check and pass applications to authorities on a daily basis. Government expect applications to be turned around within 30 days.

4.4 Role of DESNZ: DESNZ is responsible for the design, policy, system, initial eligibility checks and scheme communications including a customer telephone contact centre. They will gather all the information and evidence as part of the application. DESNZ will check eligibility for an EBSS AF or AFP AF payment and verify bank details. DESNZ will also carry out post-payment assurance.

4.5 Applicants who do not meet the initial checks will be notified by DESNZ using Gov.Notify.

4.6 Role of billing authorities: Councils must validate the identity of applicants to the address using council tax records, check the eligibility of the accommodation, check for second and empty homes, match bank details to the address, duplication check, check evidence provided to establish eligibility, request further information if required and approve and make payment of £400 or £200 depending on the scheme or reject and provide evidence. Councils must also carry out pre and post-payment checks.

4.7 Once the application is processed by the Council, information is shared with DESNZ via their software application and notifications of acceptance or rejection will be sent to the applicant.

4.8 With regard to appeals, objections and complaints, DESNZ take ultimate responsibility and will liaise with authorities where necessary to resolve concerns.

4.9 Authorities are expected to ensure the safe administration of the scheme and mitigate against risk of fraud or error. Councils are also expected to recover debts arising through fraud and error.

5.0 Finance and Reporting

5.1 £1,100,000 and £71,000 funding has been provided to cover the EBSS AF and AFP AF scheme expenditure respectively. Funding in respect of each scheme must be used solely for that purpose. The Council will be provided with eighty percent of the grant up front in week commencing 20 February 2023 for EBSS AF. DESNZ will also advise billing authorities shortly of when they can expect eighty percent of the AFP AF grant.

5.2 The funding allocations and grant conditions are contained in Appendix E EBSS AF Grant Determination 2023 and Appendix F AFP AP Grant Determination Letter. Government have stated under no circumstances must these funds be used for any other purpose outside of the Alternative Funding schemes.

5.3 New burdens will be assessed and provided separately to local authorities to cover the expected reasonable additional costs associated with the implementation of each scheme including administration, software, payment assurance and reporting activities.

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5.4 The maximum number of accepted applications for EBSS AF and AFP AF based on funding will be 2,750 and 355 respectively. The Council Tax & Benefits Service will monitor and reconcile payments. In the event it appears that expenditure will exceed budget, applications will be suspended and advice taken from DESNZ.

5.5 Monitoring and reporting requirements will be minimised as the application portal removes the need for authorities to provide delivery information to DESNZ as it will be collected directly from source.

6.0 Media and Communications

6.1 DESNZ will provide content which the Council can use to help communicate the launch of the EBSS AF and AFP AF schemes on their website and Twitter pages. Councils are asked to use the message templates where possible so the communications are aligned between Government and local authorities.

6.2 Government will never provide a link for residents to reach the online portal application via text message or email. This is so that if an individual does receive a link, either directly or indirectly, they can avoid it as they will be confident that it has not been supplied by the Government and thus avoid scams. Instead, they will advise this can be found by searching for “Apply for energy bill support if you do not get it automatically” into the Gov.UK webpage search bar, or through an online search engine.

6.3 Authorities are also asked to avoid using links to the application portal in their communications to eligible households.

OTHER OPTIONS CONSIDERED AND REJECTED

The option not to deliver the EBSS and AFP schemes on behalf of Government was considered and rejected as the schemes will provide eligible households with financial support to help with the increased cost of living.

PRE-DECISION CONSULTATION

There is no statutory requirement for the local authority to undertake a public consultation.

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

Name: Chris Henry

Designation: Head of Council Tax & Benefits

Signature:



Date: 27 February 2022

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The EBSS Alternative Funding is underpinned by the Energy Prices Act 2022. This Act has for object to control the energy prices as well as, to encourage the efficient use and supply of energy.

Under Section 13 of the Energy Prices Act 2022, the Secretary of State is allowed to give support for meeting energy costs related to the use of energy. Section 13(2), states that the Secretary of State may take such other steps as the Secretary of State considers appropriate in response to the energy crisis. The steps that may be taken under the powers conferred by subsections (1) and (2) of Section 13 include, giving financial assistance (whether directly or indirectly and whether subject to conditions or not).

Section 15 of the Energy Price Act 2022, defines the role of the bodies for meeting energy costs. The Secretary of State is allowed to make provisions by regulations, as to the actions which a designated body may undertake in support of the relevant steps in Section 13. The regulations may, in particular, make provision in connection with designated bodies - (a)receiving financial assistance (Section 15.3). A designated body which is a local authority and a London Borough Council, is permitted to take actions in support of a step undertaken in Section 13.

The grant provisions are made to the Council pursuant to sections 31 and 32 of the Local Government Act 2003. The grant agreement sets out certain conditions which officers will ensure to adhere to in order to achieve full utilisation of the funding arrangements and prevent recovery of sums.

For the above reasons, the Council may accept and enter into the grant agreement(s) and deliver on the aforementioned schemes.

FINANCIAL IMPLICATIONS AND RISKS

DESNZ funding of £1,100,000 and £71,000 has been allocated to EBSS AF and AFP AF respectively. 80 percent of the funding for scheme expenditure is due in February for EBSS AF and March for AFP AF. Payments to applicants won't commence until the latter half of March at the earliest therefore the necessary accounting entries will be made to ensure funding is carried forward into 2023/24. The remaining funding will be paid to the Council at the end of the scheme following verified reconciliation of payment in 2023/24.

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The EBSS AF and AFP AF schemes are new schemes and while Government have predicted the number of applications based on the funding allocation, the Council Tax and Benefits Service will monitor and reconcile payments to ensure spend remains within budget.

New burdens to cover the cost of administration will also be assessed and provided by DESNZ.

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

There will be additional verification and processing of payment work arising from the EBSS and AFP schemes for the Council Tax Service. Administrative funding will be provided to enable the Service to retain temporary staff for this work and offer overtime to manage and organise the additional workload efficiently.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

For the purposes of this scheme DESNZ has completed a PSED assessment. DESNZ advise billing authorities but do not need to complete an assessment on the scheme.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Havering council is committed to improving the health and wellbeing of all residents including those most vulnerable. Research has shown there is a clear correlation between poverty and health.

Through the Council's delivery of the Alternative Funding schemes, the additional financial support provided to 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 and climate change implications or risks to this report.

APPENDICIES

Appendix A Minister Stuart Letter to LAs on Alternative Funding Support for Energy Bills 14112022

Appendix B Minister Stuart letter to Leaders about Alternative Fuel Payments Alternative Fund 09022023.

Appendix C EBSS Alternative Funding Scheme Guidance 21 February 2023

Appendix D AFP AF Guidance for Local Authorities

Appendix E EBSS AF Grant Determination 2023

Appendix F AFP AP Grant Determination Letter

BACKGROUND PAPERS

None

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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 _____