



Report sponsor: Alison Parkin, Director of
Financial Services
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Council tax energy rebate – discretionary scheme

Purpose

- 1.1 On 3rd February 2022 the Government announced a support package, worth £9.1 billion, to help households with rising energy bills. For Derby, this package included discretionary funding of £516,600 to provide support to energy bills payers who are not eligible under the terms of the core scheme or to provide “top up” payments to the most vulnerable households who do qualify for a payment from the core scheme.
- 1.2 This report presents the Council’s Energy Rebate Discretionary Scheme for approval.

Recommendation(s)

- 2.1 To approve the Council’s Energy Rebate Discretionary Scheme which is set out at section 4.6 and the sub-paragraphs there under of this report.
- 2.2 To delegate any future changes to the scheme to the Director of Financial Services in consultation with the Cabinet Member for Finance, Assets and Digital.

Reason(s)

- 3.1 To enable payments to be made in line with the eligibility criteria set out in the Energy Rebate Discretionary Scheme shown at section 4.6 and sub-paragraphs there under.
- 3.2 To pass any remaining funding to the Council’s Household Support Fund.
- 3.3 To be able to make any future changes to the policy at pace whilst still ensuring appropriate governance arrangements are in place.

Supporting information

- 4.1 On 3rd February 2022 the Government announced a support package, worth £9.1 billion, to help households with rising energy bills. For Derby, this package included £15,273,900 core scheme funding and £516,600 of discretionary funding giving a total funding package of £15,790,500. The purpose of the discretionary funding is to provide support to energy bills payers who are not eligible under the terms of the core scheme or to provide “top up” payments to the most vulnerable households who do qualify for a payment from the core scheme.

- 4.2 Whilst the Government has said that it is for individual Council's to determine how to use their discretionary funding, they have suggested some areas where discretionary may be used. This includes, but is not limited to, households living in property valued in bands E to H that are on income related benefits or top up payments to the most vulnerable households in bands A to D, for example, those on means tested benefits.
- 4.3 In designing its discretionary scheme the Council has been careful to balance the need to make the claims process as simple as possible for residents whilst ensuring that payments from the discretionary scheme are targeted at those most in need. Therefore, subject to validation, households that meet the eligibility criteria set out in the discretionary scheme will receive payments automatically, without the need to apply. However, in all cases the Council will reserve the right to ask households to apply or to provide additional evidence to support a payment should it be deemed necessary.
- 4.4 Any discretionary funding left after the "automated" payments will be transferred to the Household Support Fund. The Household Support Fund is made available to all County Councils and Unitary Authorities to support those in need with food energy and water bills. It can also be used to support households with essential costs related to those costs and wider essential needs. Joining up the Discretionary Council Tax Energy Rebate Scheme and The Household Support Fund will streamline the application process for claimants and will enable the Council to continue with some of the financial commitments made from earlier schemes. This will ensure that a further 1,000 households will be supported, based upon need, and will ensure that all funding received from the Government is spent supporting households across the city. Such an approach has been approved by the Council's legal team..
- 4.5 All payments from the discretionary fund will need to have been made by 30 November with any funding left returned to the Department of Levelling Up, Housing and Communities, following a reconciliation exercise.
- 4.6 **Derby City Council's Council tax energy rebate discretionary scheme**
- 4.6.1 The Council's discretionary scheme will make payments based upon eligibility criteria. Both the eligibility criteria and the maximum payment for that cohort are set out in section 4.6.5 below. Any remaining funding will be passported to the Household Support Fund for awards to be made under that scheme.
- 4.6.2 For those households that meet the eligibility criteria in section 4.6.5 it is not expected that an application form will need to be completed, although the Council will reserve the right to ask any household to complete an application should it be deemed necessary for them to do so.
- 4.6.3 The Council will determine the appropriate method of payment for each household eligible under the terms set out in 4.6.5. That could include a payment by BACS into a nominated bank account, a credit onto the Council Tax account or a single use voucher than can be exchanged for cash at any outlet participating in the Paypoint scheme.
- 4.6.4 The Council's decision as to the eligibility criteria set out in section 4.6.5, whether a household meets the criteria, the value of the payment made under the Council's

Council Tax Energy Rebate Discretionary Scheme, whether a household is asked to apply and the method of payment will be final and no right of appeal will exist.

4.6.5 The eligibility criteria, number of households potentially qualifying, maximum award and estimated total spend is set out in the table below. Where a household is eligible under more than one category only one payment will be made and that will be under the category where the payment value is highest.

Eligibility Criteria	Estimated number of qualifying households	Maximum Award (£s)	Total estimated expenditure based on maximum award (£s)
Household in receipt of Council Tax Support on 1 April 2022 and on the same date had their sole or main residence in a property in Council Tax bands E, F, G or H.	94	150	14,100
Household in receipt of Council Tax Support on 1 April 2022 and on the same date had their sole or main residence in a property in Council Tax bands A,B,C or D.	16,504	20	330,080
Household in receipt of a disabled persons band reduction on 1 April 2022 and on the same date had their sole of main residence in a property in Council Tax bands E,F,G or H.	82	150	12,300
Household in receipt of a severely mentally impaired Council Tax disregard on 1 April 2022 and on the same date had their sole of main residence in a property in Council Tax bands E,F,G or H.	53	150	7,950
Household in receipt of a carer Council Tax disregard on 1 April 2022 and on the same date had their sole of main residence in a property in Council Tax bands E,F,G or H.	29	150	4,350
Households that on 1 April 2022 were exempt from Council Tax because all residents were severely mentally impaired and had their sole or main residence in a property in Council Tax bands E,F,G or H.	18	150	2,700
Households in receipt of a local Council Tax discount on April 2022 because the property was the sole or main residence of a care leaver and the property was in Council Tax bands E,F,G or H.	0	150	0
Households in receipt of a local Council Tax discount on April 2022 because the property was the sole or main residence of a care leaver and the property was in Council Tax bands A,B,C or D.	135	20	2,700

Household in receipt of housing benefit only on 1 April 2022 and on the same date had their sole or main residence in a property with a Council Tax band E,F,G or H	8	150	1,200
Household in receipt of housing benefit only on 1 April 2022 and on the same date had their sole or main residence in a property with a Council Tax band A,B,C or D	1905	20	38,100
Households were a review, proposal or appeal pre-dating the announcement on 3 February 2022 had been made against the Council Tax valuation band shown in the Valuation List which is successful after 1 April 2022 and as a result reduces the Council Tax band effective on 1 April 2022 to A,B,C or D and therefore would have been eligible for an award from the main scheme.	50 (estimated)	150	7,500
Totals	18,878		420,980

Public/stakeholder engagement

- 5.1 Engagement has taken place with the Council's Revenues and Benefits software supplier to ensure that automated payments, based upon eligibility, can be identified and paid.

Other options

- 6.1 There is an option not to design and implement a discretionary scheme. However, this will result in much need support not be provided to households across the city and, as such, is discounted.

Financial and value for money issues

- 7.1 The funding from the Government of £516,600 is one off. Should payments be made in excess of this funding amount then the Council will need to fund in full. Therefore, the scheme is being designed so that payments up to the funding limit, but not more than it, will be made.

Legal implications

- 8.1 Part of the Council's solution for the discretionary scheme will be to transfer an element of funding to the Household Support Fund, which is another discretionary scheme being administered by the Council, within the same timeframe. Legal services advice on the validity of the principle of transferring funding has been obtained and confirmed, subject to the transferred funds being applied to meet qualifying energy needs under the Household Support Fund scheme.

Climate implications

9.1 None with this report

Other significant implications

10.1 None with this report.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	25 May 2022
Finance	Toni Nash, Head of Financial Services	26 May 2022
Service Director(s)		
Report sponsor	Alison Parkin, Director of Financial Services	26 May 2022
Other(s)	Bernard Fenton, Head of Customer Management	26 May 2022

Background papers:

List of appendices: