

Council

3 March 2022

Report of Director of Resources

## **The Council Tax (Demand Notices and Reduction Scheme) (England) (Amendment) Regulations 2022 – the £150 Energy Bills Rebate**

### **PURPOSE OF REPORT**

This report provides information relating to the Government's announcement and subsequent regulations related to a £150 Energy Bills Rebate for most households in council tax bands A-D, along with a discretionary fund to support people on low incomes that do not pay council tax, or who pay council tax for properties in bands E-H.

Approval is sought to fully disregard such payments as income so that entitlement to Council Tax Support is not adversely impacted, and to make such payments from April 2022 in accordance with the government's scheme and guidance.

### **RECOMMENDATION**

1. That a £150 Energy Bills rebate granted to a household in receipt of or qualifying for a reduction of their council tax under Council Tax Support be fully disregarded as income for the purposes of deciding that entitlement.
2. That approval is given to pay the £150 Energy Bills Rebates to eligible households / people from April 2022 in accordance with the government's scheme and guidance.

### **WARDS AFFECTED**

All wards

### **STRATEGIC LINK**

The adoption of a Local Council Tax Reduction Scheme is a statutory requirement but links to the Council's priorities of "people" and "prosperity" as it provides financial support to pensioners and working age people on low incomes. This benefits the recipients directly but also benefits the local economy if spent in the area.

## **1 REPORT**

- 1.1 The Council is required to approve a Local Council Tax reduction scheme each year, by 31<sup>st</sup> January for the coming financial year.
- 1.2 Every year the Council approves and adopts its council tax reduction scheme, called

Council Tax Support, which includes uprated amounts for the purposes of deciding eligibility and entitlement to a reduction in a household's council tax liability.

- 1.3 On 27<sup>th</sup> January 2022, Council approved the changes to, and gave approval to adopt, its Local Council Tax Reduction Scheme for the financial year 2022/23.
- 1.4 The Government has since announced that it is to provide a £150 Energy Bills Rebate as a result of well documented increases in energy bills. This rebate is intended to assist most households in council tax bands A-D. In addition to this, discretionary funding will be provided to local authorities to support people on low incomes that do not pay council tax, or who pay council tax for properties in bands E-H.
- 1.5 The resulting Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 ["the Regulations"] were laid before Parliament on 11 February 2022 and came into force on 12 February 2022. The Regulations can be found at: <https://www.legislation.gov.uk/uksi/2022/127/contents/made>
- 1.6 These regulations also amend the Council Tax Reduction Scheme (Prescribed Requirements) to require that from 1<sup>st</sup> April 2022 all local council tax support schemes (including those for persons of working age as well as pensioners) must disregard Energy Bills Rebate in determining eligibility for council tax support reduction and the amount of such a reduction.
- 1.7 Permission is sought to fully disregard this payment as income so that entitlement to Council Tax Support is not adversely impacted. The proposed £150 income disregard would comply with the changes made to prescribed regulations by DLUHC and would ensure that all working age and pensioner households took advantage of this additional help, in the way the Government expects, without any adverse impact of their eligibility or entitlement to Council Tax Support.
- 1.8 The Department for Levelling Up, Housing & Communities directs that where a local authority has already determined its local council tax support scheme for 2022-23, it will need to revise it by the statutory deadline of 11<sup>th</sup> March 2022.
- 1.9 The regulations also require the following statement to be shown on council tax demand notices (bills) issued to household in bands A-D: "*The Government is providing a £150 one-off Energy Bills Rebate for most households in council tax bands A-D*" and for an explanatory leaflet to be enclosed with council tax bills. Preparations to achieve this are underway.
- 1.10 This Council's revenues service is provided by Chesterfield Borough Council under a service level agreement. CBC staff are working with representatives of Capita (who supply the council tax software) and Critiqom (who print and dispatch bills) to make the necessary arrangements to identify eligible households and meet the government's requirements. Payments to eligible households will be made by the financial services team.
- 1.11 At the time of writing this report there were 24,323 properties in bands A-D and a further 177 properties in bands E-H that are in receipt of council tax support. That would amount to 24,500 eligible households at a total cost of £3.675m. The Government will refund local authorities for the cost of the rebate, as well as extra funding to help with the increased administrative costs.
- 1.12 In order to make the payments to eligible households, it will be necessary to gather the

bank details for customers who do not currently pay by direct debit. There are currently 7,094 properties (29%) in bands A-D where no bank details are held. Capita is developing a solution to create an online process to gather the bank details from customers in a secure way.

- 1.13 It will be necessary to develop solutions for eligible households who are not able to make online applications or who do not have bank accounts.
- 1.14 Despite the announcement being made on 3<sup>rd</sup> February 2022, at the time of writing this report (22 February), the government guidance for local authorities was still awaited.

## **2 RISK ASSESSMENT**

### **2.1 Legal**

The adoption of the additional income disregard is prompted by statute and accords with the statutory provisions. The legal risk in that regard is low.

All decisions taken by the Council, all services provided or enabled by the Council and all personnel functions of the Council are required to take account of the Equality Duty. Failure to comply with the Equality Duty would render the Council open to legal challenge. As there are no significant changes to the scheme proposed for 2022/23, a full consultation exercise was not deemed necessary.

### **2.2 Financial**

The adoption of the additional income disregard is prompted by statute and the costs of the rebates will be funded by a government grant. The Government will also compensate local authorities for the administrative costs of providing the rebate. We expect to receive funding for the scheme itself in March.

The financial risk has been assessed as low.

## **3 OTHER CONSIDERATIONS**

- 3.1 In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.
- 3.2 Climate change: There are not considered to be any climate change impacts resulting from the recommendations of this report.

## **4 CONTACT INFORMATION**

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## **5 BACKGROUND PAPERS**

Council Tax Reduction Scheme 2022/23

The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022; SI 2022 No.25 (published 13<sup>th</sup> February 2022).

<https://www.legislation.gov.uk/ukSI/2022/127/contents/made>

## **6 ATTACHMENTS**

None