

**Report to:** Zoe Nicholson, Leader of the Council

**Date:** 13 June 2022

**Title:** The Council Tax Rebate Scheme and the Council Tax Discretionary Rebate Scheme

**Report of:** Tim Whelan, Director of Service Delivery

**Cabinet member:** Johnny Denis, Cabinet member for communities and customers

**Ward(s):** All

**Purpose of report:** To consider the proposed Council Tax Rebate and Council Tax Rebate Discretionary schemes

**Decision type:** Non-Key

**Officer recommendation(s):** (1) The Leader approves the Council Tax Rebate and Council Tax Rebate Discretionary Scheme as set out in Appendices 1 and 2

(2) The Leader grants the Director of Service Delivery delegated authority to implement and, if necessary, amend the Scheme, such delegated authority to include any measures necessary for or incidental to its management and administration

**Reasons for recommendations:** Executive approval is required for the Scheme which will be used for the purposes of administering the scheme

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## **1 Introduction**

1.1 On 3 February 2022 the government announced a package of support known as the Energy Bills Rebate to help households with rising energy bills. This includes:

- A £200 discount on their energy bills this autumn. This will automatically be repaid over the next five years
- A £150 non-repayable rebate for households in England in Council Tax Bands A to D. This is known as the Council Tax Rebate

- £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the Council Tax Rebate.

1.2 The Council will receive £4,987,650 for the Council Tax Rebate scheme which must be spent by 30 September 2022 and £222,150 of Discretionary funding which must be spent by 30 November 2022. Any underspend must be returned to government and in the event of an overspend, no additional funding will be provided.

## **2 Proposal**

2.1 That the scheme at Appendix A is adopted as the Council's Council Tax Rebate scheme and that the scheme at Appendix B is adopted as the Council's Discretionary Energy Rebate scheme.

2.2 The government expects billing authorities to provide a £150 one-off payment to a liable council taxpayer (or a person who would otherwise be liable where the property is exempt) for every household that occupies a property which meets all of the following criteria on 1 April 2022:

- I. It is valued in the valuation list on 01 April 2022 in council tax bands A-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
- II. It is someone's sole or main residence
- III. It is a chargeable dwelling, or in defined exemption categories:
- IV. Class N - properties occupied students or college leavers or by spouses or dependants of students
- V. Class S - properties occupied only by persons aged under 18
- VI. Class U - properties occupied by the severely mentally impaired
- VII. Class W - occupied annexes
- VIII. 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

2.3 A property that meets all the criteria but has a nil council tax liability as a result of council tax reduction scheme, will be eligible.

2.4 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.

2.5 The main elements of the discretionary scheme are:

- I. The scheme is open to Lewes residents in Council Tax Bands E to H, and those residents in Bands A to D who are not liable for Council Tax
- II. Only one discretionary award of £150.00 per household
- III. The resident makes an application; and
- IV. They must be responsible for energy costs; and

- V. They are in receipt of a means-tested benefit or their income is below a pre-determined level as set out in the scheme rules; and
- VI. They have savings of less than £6,000; and
- VII. They have not received a £150 Council Tax Rebate

2.6 The awards will be made by bank transfer to the resident's bank account. In those circumstances where the resident does not have a bank account or does not want it paid into their bank account we will make payment via the Post Office's Payout scheme.

2.7 Under the Council Tax rebate scheme, where the council holds a live direct debit instruction for a liable council taxpayer, the guidance states that an automatic payment should be made as early as possible in the 2022-23 financial year, provided that there is assurance that the household is eligible, and the bank details have been verified. These payments will be verified and distributed first as there will be no requirement for the council taxpayer to make an application.

2.8 Where the council does not hold a live direct debit instruction for an eligible household, a letter will be sent inviting the council tax payer to make an online application and will be required to provide bank account details. Where residents do not make an application, the award will automatically be transferred to their council tax account to reduce the council tax liability in 2022/23, or any arrears that may be outstanding. This will ensure that the resident still receives financial support and does not miss out.

### **3 Outcome expected and performance management**

3.1 It is expected that this scheme will help residents meet their energy costs.

3.2 Regular monitoring of spend will be undertaken to ensure the budget is not exceeded.

### **4 Consultation**

4.1 Due to the speed which with this scheme needs to be implemented no consultation has been carried out.

### **5 Corporate plan and council policies**

5.1 These schemes support the Council's corporate priority of Promoting inclusion and addressing deprivation.

### **6 Business case and alternative option(s) considered**

6.1 The criteria for the Council Tax Rebate scheme are set out by government the Council must adhere to them.

- 6.2 There are any number of options open to the Council in deciding on the discretionary scheme rules. After careful consideration it has been determined that the proposed scheme is the most equitable.

## **7 Financial appraisal**

- 7.1 The Council's allocation is £4,987,650 for the Council Tax Rebate scheme which must be spent by 30 September 2022 and £222,150 of Discretionary funding which must be spent by 30 November 2022. Should the Council's payments on the main scheme legitimately exceed the allocation, further funding will be provided. However, for the discretionary scheme, if the Council overspends against the allocation, the Council will need to meet that cost. The schemes will be tightly controlled to ensure that accurate and timely reporting can be produced to ensure financial risks to the Council are minimised.

- 7.2 In addition, the government has committed to providing Councils with New Burdens funding to compensate for the additional burdens in implementing the overall policy. We expect the costs of delivering the scheme to be contained within the new burdens funding envelope.

## **8 Legal implications**

- 8.1 Responsibility for administering the Council Tax Rebate and associated Discretionary Fund lies with billing authorities. The Council should implement these measures in line with government guidance issued on 16 February 2022.

Under section 9E of the Local Government Act 2000 and the Council's constitution, the Leader has executive authority to approve the officer recommendations above.

*Legal advice dated 10.05.22*

*Legal ref: 011086-JOINT-OD*

## **9 Risk management implications**

- 9.1 The main risk is of an overspend of the government grant. Close management on a regular basis of spend will negate this risk.

## **10 Equality analysis**

- 10.1 None has been undertaken for the reasons set out above, i.e. this is an emergency measure. However, payments will be made in accordance with government guidance and consistency of approach is being secured through the adoption of a countywide scheme. It is our view that the scheme is robust and shows no potential for discrimination.

## **11 Environmental sustainability implications**

- 11.1 There are no Environmental sustainability implications arising from this report.

## **12 Appendices**

- Appendix A - Council Tax Rebate Scheme
- Appendix B – Council Tax Rebate Discretionary Scheme

## **13 Background papers**

The background papers used in compiling this report were as follows:

- None