

# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

15 March 2022

### Report of the Director of Finance and Transformation

#### Part 1- Public

#### Executive Non Key Decisions

#### 1 ENERGY REBATE SCHEME 2022

**A report advising Members of the government's Energy Rebate Scheme 2022 and seeking approval of policies for its implementation within Tonbridge & Malling.**

#### 1.1 Introduction

On 3 February 2022, the Chancellor announced a scheme to assist millions of households nationally with the cost of living following a rise in the energy price cap. The announcement can be found at <https://www.gov.uk/government/news/millions-to-receive-350-boost-to-help-with-rising-energy-costs>

1.1.1 The scheme is made up of 2 phases:

- 1) A cash payment (grant) of £150 in April to be administered by billing authorities to council taxpayers (other than in certain circumstances) in properties with a Band A, B, C or D. Payment is a grant and is not expected to be repaid by the recipient
- 2) A payment of £200 to be administered by utility companies via energy bills in October. This is not a grant and will be recovered in instalments over a period of 5 years.

1.1.2 This report focuses on the first of these payments as it is to be administered by all billing authorities, including TMBC.

#### 1.2 Council Tax Rebate

1.2.1 On 14 February, the Local Taxation Division of the Department for Levelling Up, Housing and Communities (DLUHC) wrote to billing authorities setting out the requirements. A copy of the letter is attached at **[Annex 1]**.

1.2.2 Members will note that billing authorities are required to put a notice on the face of council tax bills stating:

*“The Government is providing a £150 one-off Energy Bills Rebate for most households in council tax bands A-D”.*

- 1.2.3 In addition, the Government has also provided a leaflet to send to taxpayers prior to the start of the new financial year. This leaflet will be included with the annual bills. For information the leaflet is attached at **[Annex 2]**.
- 1.2.4 On 23 February, the government provided guidance to local authorities as to how it wishes the rebate scheme to operate as well as providing details of funding allocations.
- 1.2.5 To be eligible for the payment, a liable Council taxpayer must occupy a property that meets all of the following criteria at the end of the day on 1 April 2022
- It is valued 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;
  - It is someone’s sole or main residence;
  - It is a chargeable dwelling, or in specified exemption classes; and
  - 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.
- 1.2.6 A property that meets all the criteria, but has a nil council tax liability as a result of local council tax support, will be eligible.
- 1.2.7 A property that has no permanent resident and is someone’s second home will not be eligible.
- 1.2.8 An unoccupied property (for the purposes of calculating council tax) will not be eligible.
- 1.2.9 The government is expecting that councils will be able to use Direct Debit (DD) data to enable payments to be made very simply to taxpayers who meet the criteria. Consideration is being given to any GDPR implications of this use of DD data and the legality of doing so. Provided these matters are clarified and resolved, it should be relatively simple to manage the payments.
- 1.2.10 For those taxpayers who do not pay by DD, other ways of making these payments need to be found. Currently we are working on how this might be delivered.
- 1.2.11 We have approximately 35,700 properties in Bands A-D. A detailed piece of work will need to be done to extract details, but we anticipate that around 70+% of this cohort pay by DD. This means (subject to resolving any legal technicalities as set out in para 1.2.9) that we need to make arrangements for approximately 10,000 payments through a different method. Consideration as to how we achieve this is

underway. It is fair to say that those paying by DD are likely to receive their payments more quickly simply due to the extra steps we will need to follow for non DD payers.

- 1.2.12 In order to deliver these payments, the Council needs to adopt a policy. Much is prescribed by government so the policy is relatively straightforward. At the time of writing, the guidance has only just been received and therefore the policy is still being collated. The draft policy will be attached to the agenda as a supplement prior to the Cabinet meeting on 15 March for Members' approval.
- 1.2.13 The government also announced that billing authorities are required to administer a discretionary fund for taxpayers whose properties do not fall in Bands A-D but who otherwise might fall into financial hardship as a result of the rise in energy price cap.
- 1.2.14 At the time of writing, my staff and I are in the process of developing a discretionary policy having regard to the allocation of funding (£288,600) that is being passed on by government for this purpose.
- 1.2.15 In order to ensure that a discretionary policy can be implemented in a timely way once the new energy price cap kicks in from April, it is proposed that delegated authority is given to the Chief Executive and Director of Finance & Transformation in liaison with the Leader and Cabinet Member for Finance, Innovation & Property to agree the policy. The final policy will be reported to the meeting of Finance, Innovation & Property Advisory Board in May, for information.

### **1.3 Legal Implications**

- 1.3.1 The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 set out the requirements for billing authorities in relation to council tax bills.
- 1.3.2 As set out in paragraph 1.2.9, consideration is being given to any GDPR implications of the use of DD data and the legality of doing so.

### **1.4 Financial and Value for Money Considerations**

- 1.4.1 The government has allocated to TMBC a sum of £5,213,100 from the fund in order to pay eligible council taxpayers the required £150 rebate in April 2022. The government has stated that there will be a reconciliation exercise later in the year, so any over or underspends against this amount will be reimbursed or recovered.
- 1.4.2 The government is also providing an allocation of funds totalling £288,600 for the development of a discretionary policy.
- 1.4.3 It is expected that billing authorities will also receive a new burdens grant for this additional work.

## 1.5 Risk Assessment

- 1.5.1 It will be important that all relevant checks are undertaken in order to prevent against fraud.
- 1.5.2 Failure to comply with government requirements could mean that the Council does not receive the New Burdens grant in full.

## 1.6 Equality Impact Assessment

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## 1.7 Policy Considerations

- 1.7.1 Community

## 1.8 Recommendations

- 1.8.1 Cabinet is **RECOMMENDED** to

- 1) Note the arrangements that are underway in order to deliver phase 1 of the national Energy Rebate scheme;
- 2) Approve the Energy Rebate Scheme 2022 for Tonbridge & Malling as set out in the supplementary paper; and
- 3) Give delegated authority to the Chief Executive and Director of Finance & Transformation in liaison with the Leader and Cabinet Member for Finance, Innovation & Property to agree the discretionary policy.

Background papers:

Nil

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