

# TONBRIDGE & MALLING BOROUGH COUNCIL

## CABINET

07 June 2022

### Report of the Director of Finance and Transformation

#### Part 1- Public

#### Matters for Information

#### **1 COUNCIL TAX (ENERGY) REBATE SCHEME 2022**

**A report updating Members on the arrangements for payment of the £150 rebates.**

#### **1.1 Introduction**

1.1.1 As Members are aware from my report to Cabinet on 15 March, billing authorities have been charged by government to distribute £150 payments for council tax (energy) rebate to eligible households.

1.1.2 At the time of reporting to Cabinet in March, all the relevant guidance had not yet been issued to local authorities. Funding was passed over to local authorities on the 31 March.

1.1.3 Under Decision No D220040CAB, the Cabinet resolved that

- 1) the arrangements underway in order to deliver phase 1 of the national Energy Rebate Scheme be noted;
- 2) delegated authority be given to the Chief Executive and Director of Finance and Transformation in liaison with the Leader and Cabinet Member for Finance, Innovation and Property, to agree the mandatory Energy Rebate Scheme 2022 for Tonbridge and Malling once final guidance from government was received; and
- 3) delegated authority be given to the Chief Executive and Director of Finance and Transformation, in liaison with the Leader and Cabinet Member for Finance, Innovation and Property, to agree the discretionary policy for those properties not in Bands A-D.

#### **1.2 Progress**

1.2.1 Cabinet will be aware that I have sent briefing notes to all Councillors to keep them up to speed with how the scheme is progressing. The last briefing note was sent on 23 May.

- 1.2.2 An internal officer group (the Energy Rebate group) chaired by myself meets fortnightly with representation from a number of service areas – Revenues and Benefits, Accountancy, Audit/Fraud, Customer Services, Media & Comms and Printing/Postroom.
- 1.2.3 The mandatory scheme was prepared fully in compliance with government requirement and guidance and was “signed off” by myself and the Chief Executive in line with our delegated authority granted via Cabinet (see paragraph 1.1.32) above). For completeness, the Officer Decision Notice and the mandatory scheme are attached at **[Annex 1]** for Members’ information.
- 1.2.4 Software was developed by the Council’s Revenue & Benefits system supplier to deliver the scheme following the announcement by government.
- 1.2.5 Whilst this sounds like a relatively straightforward project, the reality is that this is quite complex and it is important to deliver this in phases in order to mitigate against duplication of payment, error in payment, and indeed missing any household that is eligible. Not only do we need to deliver the mandatory scheme, we are also required to develop a discretionary scheme as reported to Cabinet in March.
- 1.2.6 The phases we have identified for the mandatory scheme are:
- Phase 1 – payments of £150 to those who pay their council tax by Direct Debit (the majority)
  - Phase 2 – payments of £150 to those who do not pay by Direct Debit, or do not pay any council tax. Opportunity to register via an online portal.
  - Phase 3 – falling out of Phase 2, payments to those who do not hold bank accounts and are therefore unable to utilise the online facility (unknown quantity at this point).
- 1.2.7 As Members are aware from my most recent briefing note, payments were made to the majority in Phase 1 in week commencing 9 May; with recipients receiving cleared funds on 12 May. In total this accounted for approximately 25,000 households.
- 1.2.8 In line with government guidance, about 1,500 cases from Phase 1 were what we termed “mismatches” and these households were sent a letter on 9 May inviting to submit alternative details via an online portal if they did not wish the payment to go to the bank account we already had registered. The ‘window’ to provide alternative details closed on 18 May, and in accordance with government guidance we are required to undertake “spotlight” checks to prevent fraud and error if new details have been entered. The majority (1,400) did not provide alternative details, so payments to this cohort were processed with cleared funds being available in recipients’ bank account on 24 May. The remaining 100, where

alternative details were provided, are being made as soon as we can following completion of the spotlight checks.

- 1.2.9 As Members are aware, the “qualifying” date for this scheme was 1 April 2022. Due to the way the software was configured, anyone who had signed up to direct debit after the qualifying date of 1 April was not included in the main “bulk” of payments. There were approximately 800 of these cases. The details for these eligible council taxpayers have now been extracted and payments have been processed with cleared funds being available in recipients’ bank accounts on 25 May.
- 1.2.10 Despatch of letters to the cohort in Phase 2 (approximately 8,000 households) began week commencing 23 May. These households are being invited to securely register their bank details via the portal using a unique code. Customer Services are able to assist anyone who needs guidance.
- 1.2.11 Before payment can take place to this cohort, we are required (by government) to undertake the “spotlight” checks and this will be done on a rolling basis to ensure that payments can go out to those who have registered as soon as possible.
- 1.2.12 At this stage we will not know how many will fall into ‘Phase 3’ but I shall update Members in a future report.
- 1.2.13 Due the complexity of the scheme and the software (which has been developed at a pace following the government announcement), the Software supplier’s firm advice is to deal with all elements of the mandatory scheme before turning attention to the discretionary. Indeed, software patches in respect of the discretionary element are still in progress.
- 1.2.14 In accordance with the delegated authority granted by Cabinet (see paragraph 1.1.33) above), a discretionary scheme was developed and published on 23 May 2022. The Officer Decision Notice is appended, along with the scheme at **[Annex 2]**.
- 1.2.15 Given that we need to continue with payments in respect of the Mandatory Scheme first before turning to the Discretionary Scheme, I shall return to this in a future briefing.
- 1.2.16 Members should note that payments in respect of the Mandatory scheme must be made by 30 September 2022.
- 1.2.17 Payments in respect of the Discretionary Scheme must be made by 30 November 2022.

### **1.3 Media and Communications/ Customer Services**

- 1.3.1 The Council's website is kept up to date with progress of payments on dedicated pages. See [Council tax energy rebate – Tonbridge and Malling Borough Council \(tmbc.gov.uk\)](https://www.tmbc.gov.uk/council-tax-energy-rebate)
- 1.3.2 The Council's Media and Comms team ensure that relevant information is published via social media and the "push notification" via the Council's app in order to keep the public informed (as far as we can).
- 1.3.3 The Customer Services Team engaged the services of two additional customer services advisors (via agency) to deal specifically with any influx of enquiries. There is a dedicated phone line for enquiries - 01732 876263 – and a dedicated email address: [energyrebate@tmbc.gov.uk](mailto:energyrebate@tmbc.gov.uk)
- 1.3.4 Additional temporary resources were also approved for my Revenue & Benefits team where the bulk of the assimilation, preparation and processing is taking place. It should also be noted that a significant amount of time of senior staff in this team is being diverted to this project, and records of this will be maintained in order to support the call for additional New Burdens funding.

### **1.4 Legal Implications**

- 1.4.1 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.

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

- 1.5.1 The government has paid to TMBC a sum of £5,213,100 from the fund in order to pay eligible council taxpayers the required £150 rebate from 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.
- 1.5.2 The government has provided an allocation of funds totalling £288,600 for the development of a discretionary policy.
- 1.5.3 A "down payment" in respect of New Burdens Funding of just over £55,000 was allocated to this Council. It is expected that a further sum will be awarded based on the overall costs associated with this work, which is substantial.

### **1.6 Risk Assessment**

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

1.6.3 As mentioned in paragraph 1.3.4, a lot of senior officer time has been diverted to this project - and this could not be avoided. As a result there is an 'opportunity cost' of the delay in progression of some other initiatives, particularly in Revenue & Benefits, which were planned to assist with efficiencies.

## 1.7 Policy Considerations

- Community

Background papers:

Sharon Shelton

Nil

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Director of Finance & Transformation