



ADUR & WORTHING COUNCILS

Cabinet Members for Finance and Resources

Date: 21 September 2022

Decision to be taken: 29 September 2022

Decision ref no: JAW/011/22-23

Key Decision: No

Ward(s) Affected: All

JAW/011/22-23 Discretionary criteria for the Council Tax Energy Rebate schemes

Report by the Director for Digital, Sustainability & Resources

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Executive Summary

1. Purpose

- 1.1 In February 2022 the Government issued guidance to local authorities in respect of the administration of the Council Tax Energy Rebate schemes.
- 1.2 There are mandatory payments of £150 to most residents liable for Council Tax in Band A-D properties (and Band E with a disabled reduction) as at 1 April 2022, and each council has been also provided with a discretionary budget that may be used to issue additional payments based on locally-determined criteria.
- 1.3 Data reports were subsequently provided by the Councils' software supplier. This report details the analysis that has been undertaken and requests that the recommended criteria are agreed for Adur District Council and Worthing Borough Council by the respective Cabinet Members for Finance and Resources.

2. Recommendations

- 2.1 The Adur Cabinet Member for Finance and Resources and the Worthing Cabinet Member for Resources are asked to note the content of this report and agree that:-
- a. The qualifying criteria for Adur District Council and Worthing Borough Council respectively should be those detailed in paragraph 3.6; and
 - b. The value of individual payments should be those detailed in paragraph 5.2
 - c. Applications and payments should be made as detailed in paragraphs 5.4 and 5.5
 - d. If additional residents are identified as meeting the qualifying criteria, payments should be made on a “first come, first served” basis utilising the small remaining budget balances detailed in paragraph 5.2. Awards will not be made if the respective budgets have been exhausted

3. Context

- 3.1 In late February 2022, the Secretary of State for Levelling Up, Housing and Communities issued guidance to local authorities in respect of the Council Tax Rebate that is part of the Government’s package of support for rising energy costs. Subsequent clarification guidance was also issued.
- 3.2 The package includes £144 million of discretionary funding for English billing authorities and each Council is then responsible for determining its local qualifying criteria.
- 3.3 The discretionary budgets provided to Adur District Council and Worthing Borough Council are £103,350 and £200,850 respectively. Payments must be made (either by direct payment to the resident or by crediting their Council Tax account) by 30 November 2022.
- 3.4 Following consultation with local authorities that utilise “Academy” (the core software database used by the Revenues & Benefits Service), in late June 2022 Capita provided a number of reports to identify potential residents who may be treated as eligible for a discretionary payment.
- 3.5 Details of the analysis of the Capita reports, together with a description of the considerations of providing support to each category of resident, is shown in **Appendix A**. The recommended qualifying criteria are highlighted in yellow.
- 3.6 Based on the data sets that have been analysed by the Head of Revenues & Benefits and in order to target support to the most financially vulnerable, it is recommended that the criteria should be as follows:
- Discretionary awards are made in respect of Band E-H properties where the resident is in receipt of Council Tax Support; and
 - “Top-up” discretionary payments are made in respect of Band A-D properties where the resident is in receipt of Council Tax Support; and

- The value of payments to residents in receipt of Council Tax Support should result in the same total value irrespective of the Council Tax Band of the property.

3.7 It could be argued that payments should be higher in respect of larger properties based on the assumption that energy bills for larger properties are higher. However, this will not necessarily be true (due to factors such as the energy efficiency of the property and the number of residents in occupation). There would also be considerable administrative complexity involved in assessing each customer's circumstances.

Example

A discretionary "top-up" payment for a Band D property is £10.00 (meaning that the resident receives a total of £160.00) and a Band E property receives a discretionary payment of £175.00.

However, if a couple with two children live in the Band D property whereas the band E property is occupied by a single adult, it is possible that the energy costs for the Band D property will be higher.

It is therefore recommended that fixed "top-up" payments are made for Band A-D properties and that fixed payments are issued for Band E-H properties.

4. Engagement and Communication

4.1 There is no requirement to seek the views of residents about the criteria of the schemes.

5. Financial Implications

5.1 Funding for the discretionary schemes has already been provided by the Secretary of State for Levelling Up, Housing and Communities as detailed in paragraph 3.3. Any "unspent" monies after 30 November 2022 must be returned to the Government.

5.2 If the criteria detailed in paragraph 3.6 are adopted, the available budgets will be maximised and will result in the following awards

	Adur	Worthing
Band E-H		
• Individual payments	£175.00	£180.00
• Total value of payments	£9,800.00	£28,800
Band A-D "top-up" payments		
• Individual payments	£25.00	£30.00
• Total value of payments	£90,375.00	£165,390.00
Total value of awards	£100,175.00	£194,190.00
Remaining budget	£3,175.00	£6,660.00

- 5.3 The modest remaining budgets will provide the ability to issue a small number of additional awards to residents who have not been identified as meeting the eligibility criteria from the available data sets - for example, a new-build property that is banded A-D after 30 September 2022 (which is the last date of payments for non-discretionary payments).
- 5.4 “Top-up” payments (either actual payments or credits to Council Tax accounts) for Band A-D properties will be made using the bank details already held for the £150 payments (or credited to Council Tax accounts).
- 5.5 Where bank details are held for Band E-H customers payments will be made automatically with all other customers contacted to submit an application by providing their bank details (or requesting a credit to their Council Tax account). If a Band E-H customer does not provide the required information by mid-November 2022, the payment will automatically be credited to their Council Tax account.

6.0 Legal implications

- 6.1 The Government has provided each billing authority with a discretionary budget to support residents with the rising costs of energy bills. It is for each council to determine the qualifying criteria for its local scheme.
- 6.2 Discretionary payments must be issued by 30 November 2022. Any unspent monies after this date must be returned to the Secretary of State for Levelling Up, Housing and Communities.
- 6.3 Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 6.4 Section 1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.

Background Papers

Various documents and “Frequently Asked Questions” guidance issued by the Secretary of State for Levelling Up, Housing and Communities.

Sustainability & Risk Assessment

1. Economic

The Government has provided discretionary funding to provide residents with financial support in respect of rising energy costs. It is important that use of these monies is maximised to provide assistance to the most vulnerable residents in Adur and Worthing.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.

Appendix A - analysis of the potential criteria to be used when awarding a discretionary Energy Rebate

Adur District Council

Available budget: £103,350. Recommended criteria are highlighted in yellow

<u>Category</u>	<u>Number of residents</u>	<u>Value of individual awards</u>	<u>Total value of awards</u>	<u>Considerations</u>
All Council Tax Band E-H properties	3,016		£452,400.00	There is insufficient budget to provide the same level of support to all households in Bands E-H
Council Tax Band E only	1,948		£292,200.00	
Council Tax Band F only	739	£150.00	£110,850.00	
Council Tax Band G only	321		£48,150.00	
Council Tax Band H only	4		£600.00	
Unbanded	4		£600.00	
Residents in receipt of Housing Benefit with no Council Tax liability	124	£150.00 £100.00	£18,600.00 £12,400	It is highly likely that if a tenant is not liable for Council Tax they will also have their utility bills included in their rent. Providing support to these residents therefore doesn't directly support rising energy costs
Property in Band E-H and the customer is receiving Council Tax Support	56	£150.00 £175.00	£8,400.00 £9,800.00	Customers in receipt of Council Tax Support are the most financially vulnerable
Property in Band E-H and the customer is receiving a 25% Severe Mental Impairment reduction but not receiving Council Tax Support	20	£150.00	£3,000.00	This category will not provide support to all households where someone has a severe mental impairment because the 25% reduction is only awarded where there is only one other adult without a mental impairment. Awards won't therefore support households with two or more residents without a mental impairment

Property in Band E-H and the customer is receiving a 100% Council Tax exemption because all residents have a Severe Mental Impairment	4	£150.00	£600.00	The mental impairment of all residents doesn't necessarily demonstrate financial hardship
Property in Band E-H and the customer is receiving a 25% Student reduction but not receiving Council Tax Support	14	£150.00	£2,100.00	The student status of one of the two residents doesn't necessarily demonstrate financial hardship
Property in Band E-H and the customer is receiving a 100% Council Tax exemption because all residents are students	0	£150.00	£0.00	There are no qualifying customers
Top-up payments for Band A-D (and Band E with a disabled reduction) properties where the customer is receiving Council Tax Support	3,615	£150.00	£542,250.00	Providing a "top-up" payment to households so that the total payment made is the same value as eligible customers in Band E-H properties is a equitable approach
		£100.00	£361,500.00	
		£50.00	£180,750.00	
		£30.00	£108,450.00	
		£25.00	£90,375.00	
		£20.00	£72,300.00	
		£15.00	£54,225.00	

Worthing Borough Council

Available budget: £200,850. Recommended criteria are highlighted in yellow

<u>Category</u>	<u>Number of residents</u>	<u>Value of individual awards</u>	<u>Total value of awards</u>	<u>Considerations</u>
All Council Tax Band E-H properties	8,562		£1,284,300.00	There is insufficient budget to provide the same level of support to all households in Bands E-H
Council Tax Band E only	5,317		£797,550.00	
Council Tax Band F only	2,366	£150.00	£354,900.00	
Council Tax Band G only	861		£129,150.00	
Council Tax Band H only	16		£2,400.00	
Unbanded	2		£300.00	
Residents in receipt of Housing Benefit with no Council Tax liability	914	£150.00 £100.00	£137,100.00 £91,400.00	It is highly likely that if a tenant is not liable for Council Tax they will also have their utility bills included in their rent. Providing support to these residents therefore doesn't directly support rising energy costs
Property in Band E-H and the customer is receiving Council Tax Support	160	£150.00 £175.00	£24,000.00 £28,800.00	Customers in receipt of Council Tax Support are the most financially vulnerable
Property in Band E-H and the customer is receiving a 25% Severe Mental Impairment reduction but not receiving Council Tax Support	97	£150.00	£14,550.00	This category will not provide support to all households where someone has a severe mental impairment because the 25% reduction is only awarded where there is only one other adult without a mental impairment. Awards won't therefore support households with two or more residents without a mental impairment

Property in Band E-H and the customer is receiving a 100% Council Tax exemption because all residents have a Severe Mental Impairment	2	£150.00	£600.00	The mental impairment of all residents doesn't necessarily demonstrate financial hardship
Property in Band E-H and the customer is receiving a 25% Student reduction but not receiving Council Tax Support	35	£150.00	£5,250.00	The student status of one of the two residents doesn't necessarily demonstrate financial hardship
Property in Band E-H and the customer is receiving a 100% Council Tax exemption because all residents are students	4	£150.00	£600.00	There are no qualifying customers
Top-up payments for Band A-D (and Band E with a disabled reduction) properties where the customer is receiving Council Tax Support		£150.00	£826,950.00	Providing a "top-up" payment to households so that the total payment made is the same value as eligible customers in Band E-H properties is a equitable approach
		£100.00	£551,300.00	
		£50.00	£275,650.00	
		£30.00	£165,390.00	
		£25.00	£137,825.00	
		£20.00	£110,260.00	
		£10.00	£82,695.00	