

Report to: **Executive**

Date: **26th May 2022**

Title: **Council Tax Rebate Discretionary Scheme**

Portfolio Area: **Council Services - Cllr Hopwood
Community Wellbeing – Cllr Hawkins**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

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RECOMMENDATIONS:

That the Executive:

- (i) Approve the Discretionary Council Tax Rebate policy and scheme.**
- (ii) Endorse the current approach to distributing the main Government's Council Tax rebate for households in Bands A to D.**
- (iii) Note the existing discretionary support schemes the Council operate and recommend increasing the public and voluntary sector awareness of the schemes and support that are available for residents.**

1. Executive summary

- 1.1. Supporting our residents as energy, food and fuel prices rise significantly is a key and urgent priority for the Council.
- 1.2. The purpose of this report is to enable the Executive to make a decision on the discretionary element of the Government's Council Tax Rebate scheme.
- 1.3. As part of the Government scheme, the Council has been awarded a sum of £173,700 (in addition to the main scheme award of £4,332,600), known as the Discretionary Fund, to support households who are in need but are not eligible for the main £150 Council Tax Rebate scheme.
- 1.4. As of 13 May 2022, the Council has paid 19,576 households out of 21,316 eligible Direct Debit payers, 92% and distributed £2,936,400.

- 1.5. The Council has received 1,066 applications (out of 6,710 eligible households) from those households that do not pay by direct debit and these will begin being processed for payment from 23 May 2022. The Council will be contacting the remaining households via direct mail within the next few weeks to offer direct payment via local Post Offices.
- 1.6. The policy attached as Appendix A proposes supporting those residents who are working, on low income with limited or no access or financial support from existing benefits and other discretionary schemes but are experiencing hardship due to the increasing cost of energy bills.
- 1.7. This report also explains (in Appendix C) what other discretionary schemes the Council has in place to support residents and updates members on the 2nd tranche of government funding of the Household Support Fund (HSF).

2. Background

- 2.1. The Government recognises that many households will need support to deal with the rising cost of household bills in 2022-23 driven by increasing energy bills. While these rising costs will affect most households across the country, they are more likely to disproportionately affect those on lower incomes, who tend to spend a higher proportion of their income on utility bills.
- 2.2. As part of this targeted response to rising energy bills, households liable for Council Tax in Bands A – D, along with those in Band E who receive a disabled band relief, will be eligible for a non-repayable £150 Council Tax rebate. The household must occupy the property, so this £150 rebate is not available to second homes or empty property.
- 2.3. Alongside the £150 Council Tax rebate, the Government has also provided local authorities with an additional sum for a discretionary scheme that can be used to top up payments, or for those in need that do not meet the eligibility for the main scheme.
- 2.4. The Government is providing the grant funding for both the main council tax rebate (£150) scheme and the discretionary scheme. The Council will receive £4,332,600 for the main scheme, which has to be administered and paid out by 30 September 2022. The amount of Government funding received will be the same as the actual amount paid out by 30 September. The Council will also receive £173,700 for the discretionary scheme which is a set amount and this will not be increased. Any discretionary funding not paid out by 30 November 2022 will have to be repaid to the Government.
- 2.5. Within the South Hams area, we currently have 28,026 properties in Bands A – D that currently appear as if they may be eligible for the £150 council tax rebate. Of this number, 21,316 (approx. 75%) currently have a Direct Debit set up to pay their Council Tax, whereas 6,710 (approx. 25%) do not.
- 2.6. When the £150 Rebate was first announced, the Government required the Council to provide residents with a national leaflet within their annual Council Tax bill for 2022/23. We also enclosed our own leaflet giving more detail, and how to apply locally.

- 2.7. We have purchased from our Revenue and Benefits software supplier additional modules to the software to allow us to identify residents paying their Council Tax payers by Direct Debit who may be eligible for the £150 rebate payment, and to make the payment to them easier.
- 2.8. The Council has set up an online application form for those residents who are eligible for the £150 payment but do not pay by Direct Debit. For those who do not have the ability to apply online, the Customer Services Team are happy to help the resident complete their application over the telephone.
- 2.9. As of 13 May 2022, the Council has paid 19,576 households out of 21,316 eligible Direct Debit payers, 92% and distributed £2,936,400.
- 2.10. The Council has received 1,066 applications (out of 6,710 eligible households) from those households that do not pay by direct debit and these will begin being processed for payment from 23 May 2022. The Council will be contacting the remaining households via direct mail within the next few weeks to offer direct payment via local Post Offices. This will enable eligible residents (the Council Tax liable party) to present the letter they have received with associated identification and the Post Office will offer payment via cash, into a bank account or directly against an energy bill.
- 2.11. Any eligible households that have not claimed the rebate by the end of August 2022 will have the £150 credited against their Council Tax account.

3. Proposed CTAX rebate discretionary policy

- 3.1. The purpose of the policy is to determine eligibility for payment under the Council's Discretionary Council Tax Rebate scheme.
- 3.2. The scheme has been designed based on general guidance issued by the Secretary of State for Levelling Up, Housing and Communities on 3rd February 2022. However it is separate to the mandatory Council Tax Rebate scheme which is largely determined by Government.
- 3.3. The scheme is aimed at supporting those residents that are working, on low income and have limited or no access to benefits. This makes it difficult to quantify the number of residents that will apply. We intend to spend all of the allocated monies on struggling residents, therefore we intend to make the payments in two phases. Phase one will:
- 3.3.1. Award a one-off payment of £150 to any household who reside in a property dwelling with a Council Tax band E-H and who are currently in receipt of Council Tax Reduction. There are currently 243 claims which would result in awards totalling £36,450.
- 3.3.2. Award a one-off payment of £150 to any household who resides in a dwelling and where the owner is liable for Council Tax under the Council Tax (Liability for Owners) Regulations 1992, but where the household are directly liable for energy bills. This could include people living in a house of multiple occupation or someone under the age of 18 etc.
- 3.3.3. Award a one-off payment of £150 to households who reside in a dwelling with a Council Tax band E-H and who are not in receipt of

Council Tax Reduction but have capital of no more than £6,000 and a weekly net income less than the following:

- £250 for a single person
- £320 for a couple
- £400 for a family (lone parent or couple) with one dependent child
- £500 for a family (lone parent or couple) with more than one dependent child

3.4. The criteria for Phase two will be reviewed in July 2022 once we know how many claims we have paid out in 3.3.1 to 3.3.3.

4. Additional Financial Support Schemes.

4.1. The Council supports residents and households in financial difficulty or in need of additional financial support with over £6,100,000 of available funds through the following schemes;

- £5,720,000 through Council Tax Support (or Council Tax Reduction)
- £92,000 through Discretionary Housing Payments
- £80,000 through Exceptional Hardship Fund
- £273,718 through Household Support Fund

4.2. The schemes are detailed in Appendix C.

5. Proposed Way Forward

5.1. The Executive approves the discretionary policy set out in Appendix A.

5.2. That the Executive receive a further report in September 2022 that will;

- Update members on the number of households that have received additional financial support through phase one of the discretionary scheme and;
- Set out recommendations for phase two

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The main criteria for the £150 Council Tax Rebate scheme is set out in Government guidance and this cannot be varied locally. The discretionary element however is a matter for the Executive as it not part of the Policy Framework or otherwise reserved to full Council.
Financial implications to include reference to value for money	Y	The Government are providing the grant funding for both the main council tax rebate (£150) scheme and the discretionary scheme. The Council will receive £4,332,600 for the main scheme, which has to be administered and paid out by 30

		<p>September 2022. The amount of Government funding received will be the same as the actual amount paid out by 30 September.</p> <p>The Council will also receive £173,700 for the discretionary scheme which is a set amount and this will not be increased. Any discretionary funding not paid out by 30 November 2022 will have to be repaid to the Government.</p>
Risk	N	
Supporting Corporate Strategy	Y	<p>Quality Council Services; ensuring that we make the best use of the budget available to us to ensure value for money whilst paying people quickly and efficiently.</p> <p>Community Wellbeing; supporting residents that are financially vulnerable.</p>
Climate Change - Carbon / Biodiversity Impact	N	No direct carbon or diversity impacts arise from this report
Comprehensive Impact Assessment Implications		
Equality and Diversity		None
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		None

Supporting Information

Appendices:

Appendix A – Discretionary policy for the Council Tax Rebate

Appendix B – Mandatory scheme for the Council Tax Rebate

Appendix C – South Hams District Council additional financial support schemes

Background Papers:

None