

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

INFORMATION

meeting date: 21JUNE 2022
title: COUNCIL TAX ENERGY REBATE UPDATE
submitted by: DIRECTOR OF RESOURCES
principal author: MARK EDMONDSON

1 PURPOSE

1.1 To update members regarding progress with the Council Tax Energy Rebate.

2 BACKGROUND

2.1 In February the Government announced a package of support in recognition of the growing cost of living pressures.

2.2 The Council Tax Energy Rebate scheme was part of this package. The scheme is a £150 non-repayable rebate for households in England in council tax bands A to D. Payments must be made by 30 September 2022.

2.3 The Government published guidance to billing authorities on how to administer the scheme.

2.4 Funding totalling £2,911,350 (£2,822,850 core scheme and £88,500 discretionary scheme) has been allocated to Ribble Valley Borough Council.

2.5 A one off £150 payment is payable to all council taxpayers for every household that occupies a property which meets all of the following criteria on 1 April 2022.

- i. It is valued in council tax bands A to D. this includes properties in band E that have a disabled band reduction.
- ii. It is someone's sole or main residence.
- iii. It is a chargeable dwelling, or in exempt classes N, S, V or W; and
- iv. 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.

2.6 The Government stated that where councils hold live direct debit instructions for a liable council taxpayer payment should be made automatically, unless the name on the bank details does not match the name of a liable party.

2.7 Where Councils do not hold live direct debit instructions the government expects them to make all reasonable efforts to contact the households as early as possible to make them aware and invite them to make a claim.

2.8 Claimants will self-certify that they are the liable taxpayer and meet the eligibility criteria and ultimately where it has not been possible to make a direct payment councils can credit £150 to an eligible council tax account.

The Discretionary Fund

2.9 The Government recognised that billing authorities may also wish to provide support to other energy bill payers who are not eligible under the core scheme, or to provide carefully targeted 'top up' payments to the most vulnerable households. It therefore has provided a £144 million Discretionary Fund and Ribble Valley Borough Council has been allocated £88,500.

3 ISSUES

3.1 The administration of this rebate is proving to be extremely challenging and resource intensive, even more so than we anticipated.

3.2 This has been further complicated by the Government mandate that significant checks are required by local authorities to reduce the risk of fraud and error.

Core Scheme

3.3 We now anticipate approximately 18,600 properties in Bands A to D will be eligible for the energy rebate.

3.4 On the 28 April we processed payments via BACS to 12,381 bank accounts totalling £1,857,150. A week later on 6 May we processed a further 489 payments totalling £73,350. These were to residents where we were confident we hold up to date direct debit instructions and a direct debit had previously been taken for an instalment of their council tax.

3.5 There are a number of instances where we were not able to make payment to direct debit payers, these include.

- Where a direct debit has only recently been set up and a council tax instalment has not yet been paid from their account
- Where there is a mismatch between the name of the liable party and the name of the bank account holder for the direct debit
- Where the direct debit holder has recently made a payment by another payment method
- Where there has been on a change on their account since 1 April

3.6 On 24 May 2022 we issued 5,726 letters to Taxpayers who we had not been able to pay automatically, inviting them to make an application for the rebate by completing an online form.

3.7 As of 9 June 2022 we have successfully paid a further 1,887 cases totalling £283,050 and have a further 1,500 cases that are in the process of being verified before making payment.

3.8 We are still receiving applications and are providing assistance over the telephone and in person to those who are unable to apply online.

3.9 The checks required by the Government and the SPOTLIGHT system are extremely labour intensive. This is compounded as approximately 15% to 20% of bank accounts are not included in the SPOTLIGHT system and in such cases Government guidance requires us to obtain a copy of a bank statement before making payment.

3.10 Reminder letters will be sent to those cases that haven't submitted an application later this month offering further help and assistance. Ultimately a credit of £150 will be paid to the Council Tax account, before the deadline for payments of 30 September 2022, for those

taxpayers who have not submitted a claim, or we have not been able to verify the bank details submitted.

Discretionary Scheme

- 3.11 Ribble Valley Borough Council has received funding totalling £88,500 which equates to 590 payments of £150.
- 3.12 In March there were 109 council taxpayers in receipt of Local Council Tax Support in band E to H, therefore paying each of them £150 would total £16,350.
- 3.13 There were 2,108 council taxpayers in receipt of Local Council Tax Support and giving each one a top up of £30 would total £63,240. This is the government's preferred option as per the FAQ's issued on 16 March 2022.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – the administration of these rebates is proving to be very challenging and resource intensive. The Government has indicated that it will provide new burdens funding to cover the cost. So far we have been notified we will receive a new burdens down payment of £36,052. Hopefully this will cover the extra costs incurred by the Council on software, printing, postages. Obviously this is not enough to cover the staff time working on this project
- Technical, Environmental and Legal – these rebates will be paid via an additional module purchased from our revenues system supplier NEC.
- Political - none
- Reputation – Nationally there has significant press interest in progress with the payments. However there seems to be little understanding of the size and complexity of what councils have been asked to deliver.
- Equality and Diversity - none

5 CONCLUSION

5.1 Policy and Finance Committee note the progress being made with this important support for our residents.

HEAD OF REVENUES AND BENEFITS

DIRECTOR OF RESOURCES

PF28-22/AC
9 June 2022