

SUBJECT:	COUNCIL TAX REBATE (ENERGY) – UPDATE
DIRECTORATE:	CHIEF EXECUTIVE & TOWN CLERK
REPORT AUTHOR:	MARTIN WALMSLEY, HEAD OF SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 On 3rd February 2022, Central Government announced a package of support known as the Energy Bills Rebate to help households with rising energy bills, worth £9.1 billion in 2022-23.
- 1.2 This included a £150 non-repayable rebate for households in England in Council Tax bands A to D, known as the 'Council Tax Rebate'. This report updates on City of Lincoln Council's progress in delivering this scheme.

2. Background – Council Tax Rebate

- 2.1 The mandatory Council Tax energy Rebate scheme covers most households in Council Tax bands A-D. As at the time of writing this report, over 27,200 payments of £150 have been made to City of Lincoln residents. All payments under the mandatory scheme have to be made by 30th September 2022.
- 2.2 Government has also provided funding, for City of Lincoln this is £196,950, for local authorities to operate a discretionary fund for households in need who would not otherwise be eligible. This could include, for example, individuals who live in properties valued in Council Tax bands E to H. All payments under a discretionary scheme must be made by 30th November 2022.

3. Eligibility for Council Tax Rebate

- 3.1 In order to be eligible for the scheme, a person must be the liable Council Taxpayer and meet the following eligibility criteria:
- **The property must be in Council Tax banding A-D on 1st April 2022**
 - a) This will include any Band E properties which have been reduced to a Band D under the disabled band reduction scheme.
 - b) Any changes to the Council Tax banding after 1st April 2022 are ignored for the purpose of this scheme.
 - (i) The only exceptions to b) are new build properties which are waiting for an official banding from the Valuation Office, as eligibility will be determined based on the official band where this has an effective date on or before 1st April 2022.

Payments will not be made in b)(i) where the official band is notified to the Council after 30th September 2022.

- **Must be someone's sole or main residence, this means that:**
 - Empty homes do not qualify;
 - Second homes do not qualify;
 - Customers in receipt of full Council Tax Support will qualify.
- **The property must be a chargeable dwelling, or exempt under Classes N, S, U or W of the Council Tax (Exempt Dwellings Order) 1992**
 - Class N – occupied by students;
 - Class S – occupied by persons under 18 only;
 - Class U – occupied by persons severally mentally impaired;
 - Class W – an annexe occupied by a dependent relative of the main dwelling.
- **For properties classified as House in Multiple Occupation:**
 - If the liable Council Taxpayer is the landlord, who is liable as an individual, the £150 payment under mandatory scheme is paid to the landlord;
 - If the liable Council Taxpayer is the landlord, who is liable as a corporate body (e.g., company) – no payment will be made.

4. Making Payments

- 4.1 Payments are made automatically for Council Taxpayers who pay by Direct Debit, as current bank details are held for these residents

Where the Council Taxpayer does not pay by Direct Debit, officers have contacted Taxpayers by issuing a letter requesting bank account information through an online form via a secure web portal. Where customers do not have internet access or need support in completing the online form, this is being provided by officers.

Due diligence is in place to check/verify bank account arrangements, using such systems such as Spotlight (which was also used for business grants).

All reasonable steps are to be taken to obtain bank account details for all customers who are eligible under this scheme. However, where it has not been possible to obtain bank details, the Council can pay the £150 rebate onto the person's Council Tax account.

All mandatory scheme payments must be made by 30th September 2022.

5. Discretionary Fund

- 5.1 Government has also provided funding, for City of Lincoln this is £196,950, for local authorities to operate a discretionary fund for households in need who would not

otherwise be eligible. This could include, for example, individuals who live in properties valued in Council Tax bands E to H.

Officers have understandably been prioritising making as many payments as possible under the mandatory scheme, whilst working on developing a proposed Discretionary Fund scheme. A verbal update will be provided to this Committee on 18th August.

All Discretionary Fund scheme payments must be made by 30th November 2022.

6. City of Lincoln Council – Relevant Statistics

Council Tax property band	No. of properties	% of total properties
A	28,085	60.2%
B	9,060	19.4%
C	4,917	10.5%
D	2,555	5.4%
E	1,389	3.0%
F	447	0.96%
G	135	0.29%
H	47	0.1%
Total	46,635	

This means in Lincoln; 44,617 properties are in Bands A-D – equivalent to 95.7% of the total number of domestic properties in the City.

The most recently available statistics show that 24,268 of Bands A-D households are paying Council Tax by Direct Debit (i.e., 54.4%), and 1,330 Band E-H households (i.e., 65.9%).

As at the time of writing this report, 24,191 rebate payments have been made to households in Council Tax Bands A-D paying by Direct Debit. Any that remain unpaid have either had a query regarding their bank account, or are not eligible under the mandatory scheme.

As at the time of writing this report (15th July 2022), 7,364 payments have been made to households in Council Tax Bands A-D who do not pay by Direct Debit. However, all potentially eligible Taxpayers not paying by Direct Debit have now been issued a letter asking for them to provide their bank account information, - they have 30 days to do this otherwise the £150 rebate payment will be allocated to their Council Tax account. Therefore, it is anticipated numbers paid will have increased substantially by the time of this Committee meeting being held on 18th August 2022 – therefore, a verbal update will be provided.

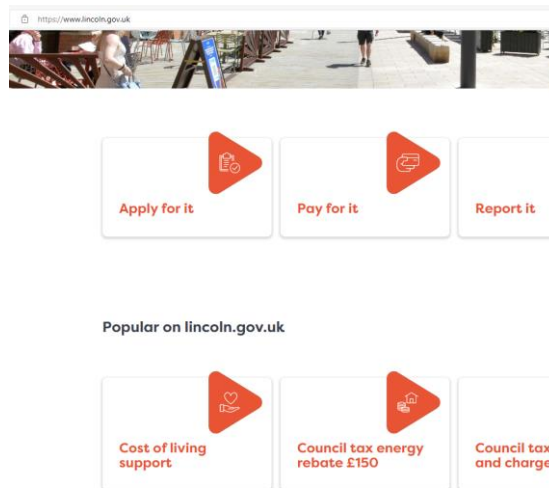
7. Communications

7.1 Since the announcements of the Council Tax Rebate, proactive communications has been a key activity, to try and set early expectation in terms of:

- When the rebate will be paid to taxpayers;
- Who is eligible;

- The advantage of paying Council Tax by Direct Debit;
- That the payment will not be deducted from the annual Council Tax bill for 2022/23;
- To be aware of ‘scams’;
- ‘Myth-busting’ regarding when payments are to be made, and how.

7.2 The Council’s website homepage includes a very clear link to Council Tax Rebate information on the home page:



The website also contains an area being regular updated with related information: [Council Tax Energy Rebate – City of Lincoln Council](#) .

The Council’s telephone line for Revenues and Benefits also currently includes a pre-recorded message in respect of the Council Tax Rebate, again outlining key messages – with an aim of trying to prevent the phone lines being taken up with a high level of enquiries relating to the rebate. These messages are regularly reviewed and amended as appropriate.

8. Significant Policy Impacts

8.1 Strategic Priorities

Let’s reduce all kinds of inequality – Council Tax Rebate is designed to support households in meeting rising energy costs.

8.2 Organisational Impacts

Finance (including whole life costs where applicable)

For the mandatory/non-discretionary Council Tax Rebate scheme, £6,103,200 has been made available to City of Lincoln Council – the intention is that this will cover the £150 payments made to eligible households in Bands A-D.

The monies made available for Discretionary Fund for City of Lincoln Council is £196,950.

Both funding amounts were paid to the Council in March 2022.

Department for Levelling Up, Housing & Communities (DLUHC) has confirmed that any overfunding would need to be paid back, and that any underfunding would be settled.

In terms of fees for utilising 'Spotlight' for bank account checks, these are being covered by Central Government.

New Burdens paid in April 2022 for the Council, are £59,673. The additional burdens on officers have been considerable, not just in terms of time and resources required, but also for additional software requirements

8.3 Legal implications inc Procurement Rules

There are no direct legal/procurement impacts as a direct result of this report.

8.4 Equality, Diversity and Human Rights

There are no direct equality, diversity or human rights impacts as a direct result of this report.

8.5 Staffing

Resources are stretched across a number of Council services, and delivery of this scheme will require participation from a number of teams over a period of several months.

9. Risk Implications

9.1 If robust arrangements are not in place to make payments of Council Tax Rebate, they could be made to the wrong party

9.2 Discretionary scheme does not target those who most need this support.

10. Recommendation

10.1 Members are asked to note the contents of this report.

Key Decision	No
Do the Exempt Information Categories Apply	No
Call In and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
Does the report contain Appendices?	No
If Yes, how many Appendices?	None
List of Background Papers:	None
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