

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 16 May 2022

Portfolio:	Policy and Resources
Subject:	Energy Rebate Discretionary Policy
Report of:	Deputy Chief Executive Officer
Corporate Priorities:	Maintain and extend prosperity A dynamic, prudent and progressive Council

Purpose:

This report seeks to set the principles to be used for the development of an Energy Rebate Discretionary Policy and requests delegated authority be given to the Deputy Chief Executive Officer, in consultation with the Executive member for Policy and Resources, to finalise the detail in the Policy and approve any subsequent amendments that are needed.

Executive summary:

The Government has tasked local councils with distributing energy rebates of £150 to council tax payers in the local area. Fareham Borough Council has received £5,367,000 from the Government to administer the mandatory scheme for council tax payers in Council Tax Bands A-D plus those in Band E who receive Disabled Relief.

Fareham Borough Council has also received £122,400 to support households not eligible for the mandatory scheme, such as council tax payers in Council Tax Bands E-H. The Council is required to set a Discretionary Policy on how this latter funding will be used across the Borough. Energy rebates using this discretionary funding must all be made by the end of November 2022.

Recommendation/Recommended Option:

It is recommended that the Executive agrees that:

- (a) the key principles to be followed when designing the Energy Rebate Discretionary Policy, as outlined in paragraph 12, are approved for adoption in Fareham;
- (b) authority is delegated to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to approve the detail of the Policy and any subsequent amendments that are needed; and

- (c) this delegation extends to any further government schemes designed to assist households with the rising cost of living, which the government requests the Council to deliver by a stated deadline, and which have a discretionary element as to who are the recipients of that support.

Where the Deputy Chief Executive Officer considers it in the best interests of the local residents to deviate significantly from the government guidance on their preferences as to who are the recipients of that support, and what support they receive, the proposed scheme will first be reported to the Executive for decision.

Reason:

The principles have been drawn up to help develop a Policy which maximises the benefit that can be provided to residents sooner, rather than later, whilst still following the spirit of the government guidance.

As the number of eligible households is likely to exceed funding available, it is proposed to stagger the design and implementation of different elements making up the Policy to gain an understanding of the impact of the level of take up on the funding available. However, it is still intended to roll these out at a quickened pace so that the Government deadline can be met which may be hampered if full Executive Committee approval is sought each time.

Cost of proposals:

Funding of £122,400 has already been received from the Government to fully fund this scheme. It is not intended to make any payments beyond this funded sum.

Background papers: None

Reference papers: Support for energy bills - the council tax rebate 2022-23: billing authority guidance – Department of Levelling Up, Housing and Communities - March 2022

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BOROUGH COUNCIL

Executive Briefing Paper

Date:	16 May 2022
Subject:	Energy Rebate Discretionary Policy
Briefing by:	Deputy Chief Executive Officer
Portfolio:	Policy and Resources

INTRODUCTION

1. In February 2022 the Government announced a package of support for households faced with rising energy costs. This included the following 2 schemes to be administered by the Council Tax teams in billing authorities:
 - **Council Tax Rebate** - A non-repayable payment to households who were the liable party for council tax at a property in the Borough on 1 April 2022 where this is their main residence; this is available for properties in council tax bands A-D only.
 - **Discretionary Fund Support** – A non-repayable payment for households in the Borough suffering financial hardship as a result of the rising cost of living.
2. The Council Tax Rebate scheme is a mandatory scheme in that all council tax payers who meet the eligibility criteria will receive the rebate. The Council has received £5,367,000 to fund this scheme and it is estimated that there are approximately 37,000 households who will be eligible for the payment.
3. Payments under the mandatory scheme have now started to be made to households who have made recent council tax payments to the Council by direct debit. This will cover approximately 75% of the eligible households. Arrangements are also being implemented to securely capture the bank details of non-direct debit payers. The Government has requested that all these payments be made by the end of September 2022. However, we are aiming to get the vast majority paid by the end of July.
4. The Council has more discretion on how to use the **£122,400** that has been allocated from the Discretionary Fund. This report therefore seeks to agree the principles to be used when developing the Energy Rebate Discretionary Policy for Fareham Borough Council.

GOVERNMENT GUIDANCE FOR THE USE OF THE DISCRETIONARY FUND

5. The government has issued the following guidance to support local authorities in developing a Discretionary Fund Policy:

The government recognises that billing authorities may also wish to provide support to other energy bill payers who are not eligible under the terms of the core scheme, or to provide carefully targeted 'top-up' payments to the most vulnerable households in bands A to D.

Councils can determine locally how best to make use of this funding to support those suffering financial hardship as a result of the rising cost of living. This could include households living in property valued in bands E to H that are on income related benefits or those where the energy bills payers are not liable for council tax. Where councils consider it the best means of supporting those in financial difficulty, they can use the discretionary fund to offer carefully targeted 'top-up' payments to the most vulnerable households in bands A to D (for example, those on means tested benefits), or to offer discretionary support exceeding £150 per household.

6. Allocations from the discretionary fund are required to be spent by 30 November 2022. Any remaining funding will be required to be repaid to the Government.

PRINCIPLES FOR THE DISCRETIONARY FUND POLICY

7. The value of the Discretionary Fund allocation would cover 816 payments of £150.
8. The Council has started to carry out some data analyses to help understand the numbers of households that fall into categories that we may want to cover in the Discretionary Policy. For example:
 - There are currently 13,270 households in properties in council tax bands E to H. Even if used just on these households the fund would only be able to help 6% of these residents.
 - There are approximately 120 households in bands E to H who are in receipt of Council Tax Support. This would equate to £18,000 of payments of £150 each.
 - There are 125 households in receipt of a council tax disregard due to severe mental impairment and another 70 in bands F to H who are also in receipt of disabled relief. This would equate to £29,250 of payments of £150 each.
 - There are approximately 54 houses of multiple occupation where the landlord is responsible for the council tax. It will need to be established how many tenants there are for each of these properties, whether they are directly responsible for the energy bills and whether they would be considered to be in financial hardship.
 - There may also be other properties in bands E to H where the resident does not pay the Council Tax bill but who may be responsible for energy bills and in hardship.
9. The Benefits team are working on identifying cases where they consider the household to be in financial hardship, for example on housing benefit, but who will not be eligible for the rebate under other criteria (e.g. not in receipt of Council Tax Support and living in a Band E-H property).
10. Discussions have also been held with the Citizens Advice Bureau to understand how they recognise and assess fuel poverty. Generally, means testing assessments are carried out which can be resource intensive and slow.
11. Further work is therefore needed to set a Policy for the use of this Fund, and it may be that the Policy will need to be amended as the take up under different categories becomes clear. It is therefore recommended that delegated authority be granted to the Deputy Chief Executive Officer, following consultation with the Executive Member for Policy and Resources, to approve the detail of each iteration of the Policy, so that it can

be implemented at a quickened pace.

12. However, it is recommended that a set of **overarching principles** is used to guide the development of the Policy, and that these be approved by members. The proposed principles are laid out below:
- a) The aim of the scheme is to help as many households as possible, using a fair and consistent basis, which utilises the full amount of funding available.
 - b) Households to receive funding must have been resident in the Borough on 1 April 2022 and still reside somewhere in the Borough at the time the payment is made.
 - c) No payments will be made for unoccupied dwellings or where the property is not the main residence of the occupant (e.g. second homes).
 - d) In accordance with Government guidance, occupants of class M (student halls) properties and class O (Ministry of Defence properties) would not be eligible for these payments.
 - e) Priority is to be given to households not eligible for the mandatory scheme, who are in severe financial hardship, and/or where the occupants of the household will severely suffer as a result of inadequate heating (e.g. elderly and disabled).
 - f) A mixture of targeted groups will be assisted by the fund and some will be prioritised for payment later in the scheme once the value of the remaining funds is known.
 - g) The eligibility criteria to be utilised will seek to balance the need to prioritise the households in the greatest need, with the cost and time involved in assessing household circumstances and getting the payments made. It is not therefore proposed that a full means testing approach will be used.
 - h) Where the targeted group involves completion of an application form, and there are more applicants meeting the criteria than funding available, then payments will be allocated on a first come, first served basis. Communication about the available application process will be designed to minimise any bias in the opportunity to make an application.
 - i) The usual value of the payments will be £150 and no successful household will receive less than this amount. Any payments in excess of this amount as a top-up payment will only be used as a last resort and will also apply to residents receiving payments under the mandatory scheme.

Enquiries:

For further information on this report please contact Elaine Hammell. (Ext 4344)