

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Cabinet
23 March 2022

Report Title: Support for Energy Bills – The Council Tax Rebate and Discretionary Fund 2022-23 Policy

Submitted by: Head of Finance (S151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To outline the Support for Energy Bills Council Tax Rebate Discretionary Fund 2022-23 Policy.

Recommendations

1. To approve the Support for Energy Bills Council Tax Rebate Discretionary Fund 2022-23 Policy.
2. To authorise the Head of Finance (Section 151 Officer), in consultation with the Portfolio Holder, Finance, Town Centres and Growth to update the Energy Bills Council Tax Rebate Discretionary Fund 2022-23 Policy should further guidance be received.

Reasons

The government has 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. The Council is required to set a Discretionary Fund Policy in order to distribute the discretionary funding to eligible households.

1. Background

- 1.1 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 In response to this, the government has 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. This includes:
 - A £200 discount on their energy bill this autumn for domestic electricity customers in Great Britain. This will be paid back automatically over the next 5 years.
 - A £150 non-repayable rebate for households in England in council tax bands A to D, known as the Council Tax Rebate.
 - £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the Council Tax Rebate, known as the Discretionary Fund.
- 2.3 The Council is required to set a Discretionary Fund Policy in order to distribute the discretionary funding to eligible households. This policy requires Members approval.

1.4 Funding paid to the Council for the Discretionary Fund is to be passed on directly as one-off grants of up to £150 to households that the Council chooses to support. Any unspent funding by 30 November 2022 will be required to be repaid to government and in the event of an overspend, no additional funding will be provided.

2. **Issues**

2.1 The Council is expected to issue the discretionary funding to eligible households as soon as they are able to. Eligible Households are required to complete an application form in order to receive the one-off payment of £150.

2.2 It is expected that further guidance will be produced regarding the treatment of households who move house in order not to make duplicate payments.

3. **Proposal**

3.1 To approve the Support for Energy Bills Council Tax Rebate Discretionary Fund 2022-23 Policy and allow for updates should they be provided from Central Government.

4. **Reasons for Proposed Solution**

4.1 The Council is expected to assist the eligible households by pass-porting the financial support as soon as possible.

5. **Options Considered**

5.1 Not applicable.

6. **Legal and Statutory Implications**

6.1 Guidance is issued by the Secretary of State for Levelling Up, Housing and Communities to billing authorities in England. It is intended to support billing authorities in administering the Council Tax Rebate and associated Discretionary Fund for households, announced on 3 February as part of a package of support for rising energy costs.

6.2 For the purpose of the Council Tax Rebate, a household is a person or group of persons occupying a single dwelling, as defined in section 3 of the Local Government Finance Act 1992.

7. **Equality Impact Assessment**

7.1 This provision seeks to support households 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.

8. **Financial and Resource Implications**

8.1 Central Government has allocated £206,250 discretionary funding and £7,460,250 non-discretionary funding to the Council.

8.2 The Council cannot exceed the discretionary funding allocation, should this allocation be exceeded then the Council would have to fund the difference.

9. **Major Risks**

9.1 The key risk is that the Council receives a high request for the discretionary fund and as a result exceeds its funding allocation. This would then result in the Council having to fund the difference.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 As the proposals relate to supporting residents with increasing living costs they will impact a number of UN Sustainable Development Goals (UNSDG). These are:-



11. **Key Decision Information**

11.1 The discretionary funding allocation is £206,250 and the policy requires Members approval.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 Support for Energy Bills Council Tax Rebate Discretionary Fund 2022-23 Policy.

14. **Background Papers**

14.1 Central Government Guidance published on 23 February 2022.