

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET

Date 14th March 2023

Report Title: Energy Bills Support Scheme (EBSS) Alternative Fund, Alternative Fuel Payment Alternative Fund and Council Tax Support Fund 2023.

Submitted by: Head of Finance and Head of Neighbourhood Delivery

Portfolio: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To inform Cabinet of the current government grant support schemes in relation to the cost of living crisis and seek approval to accept and distribute the grants via the mechanism prescribed by the government.

Recommendations

That Cabinet approves the acceptance and distribution of the EBSS Alternative Funding, Alternative Fuel Payment Alternative Fund and Council Tax Support Fund 2023 grants and authorises Officers, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to distribute the grants via the mechanisms prescribed by the government in support of households in the Borough impacted by the cost of living crisis.

Reasons

To support households in the Borough being impacted by the current cost of living crises and who ensure that government grant support is distributed to eligible Borough residents and businesses in a timely and compliant manner to assist with current cost of living pressures.

1. Background

- 1.1 The Government is making provision for further support to householders and businesses in relation to the current cost of living crisis. The latest support is in the form of Energy Bills Support Scheme (EBSS) Alternative Funding and Council Tax Support Scheme 2023.
- 1.2 Final details regarding eligibility for support and mechanisms for distribution are now being disseminated from government, and the Borough Council will play a vital role in supporting its residents by making arrangements to accept the grants, put a process in place to assess or validate eligibility, and distribute the funds as quickly as possible. There will also be a need to provide audit assurances to government at the completion of the schemes.

2. Issues

- 2.1 The EBSS Alternative Funding scheme and Alternative Fuel Payment Alternative Fund

As stated above, the details are being finalised by government, but an online application process opened on 27th February 2023 (EBSS Alternative Funding Scheme) and 6th March 2023 (Alternative Fuel Payment Alternative Fund) for households in England, Scotland and Wales who are eligible for the £400 EBSS Alternative Funding to submit their details, alongside a helpline for those without online access.

The scheme will close to new applications on 31st May 2023, with final reconciliation data to be submitted to government (DESNZ) by 31st July 2023.

Payments to households that meet the eligibility criteria – including people who get their energy through a commercial contract or who are off-grid – will be made by local authorities in Great Britain. This is likely to include:

- care home residents
- residents of park homes
- tenants in certain private and social rented homes
- homes supplied via private wires
- residents of caravans and houseboats on registered sites
- farmers living in domestic farmhouses
- off-grid households

Once customers have applied to receive support and their applications have been processed and verified, eligible customers' details will be shared with local authorities across England, Scotland and Wales, who will deliver the one-off, non-repayable support this winter.

Applicants will only be able to submit information through GOV.UK from February 2023 and should not contact their local authority in the meantime. The exact date that an eligible household will receive support will depend on when the application is made and when the payment can be processed by the relevant local authority.

2.2 The Council Tax Support Fund 2023.

Funding through this scheme will be allocated to Councils based on their share of Local Council Tax Support claimants according to the latest data. The government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills.

Where a taxpayer's liability for 2023-24 is, following the application of council tax support, less than £25, then their liability would be reduced to nil. Where a taxpayer's liability for 2023-24 is nil, no reduction to the council tax bill will be available and those bills should not be credited.

There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The Council, as the billing authority, will assess who is eligible for support and automatically apply the discount.

Council tax reductions should be applied from the beginning of the 2023-24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March. It is for local authorities to decide how to treat households that become eligible for LCTS during the financial year.

2.3 Further Discretionary support

The government also recognises that existing support mechanisms vary locally, including LCTS schemes, discretionary council tax discount/hardship schemes and local welfare schemes and recognise that Councils will want to consider using a proportion of their allocation to establish their own local approach to helping economically vulnerable households with council tax bills.

Government advice is that Local authorities should revisit their discretionary approach at intervals during the financial year, in order to ensure expenditure for 2023-24 remains within their allocation.

Council tax reductions should be applied from the beginning of the 2023-24 financial year for existing LCTS recipients and discounts should be reflected in council tax bills issued in March

The Council will identify current working age and pension age Local Council Tax Support (LCTS) claimants and allocate £25.00 or less if they have a balance to pay on their 2023/24 C Tax bill. This needs to be ready for the annual bills issued in March 2023. The Council has been awarded £212,367 in grant funding.

The government also recognises that the implementation of this policy will place an additional burden on local authorities. Therefore, in accordance with the new burdens doctrine the government will conduct an assessment of the expected reasonable additional costs associated with the implementation of the policy, such as staffing and software costs, working closely with local government in doing so.

3. Proposal

3.1 That Cabinet approves the acceptance of the EBSS Alternative Funding, Alternative Fuel Payment Alternative Fund and Council Tax Support Fund 2023 grants and authorises proper officers, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to distribute the grants via the mechanisms prescribed by the government.

4. Reasons for Preferred Solution

4.1 To support households in the Borough being impacted by the current cost of living crises and who ensure that government grant support is distributed to eligible Borough residents and businesses in a timely and compliant manner to assist with current cost of living pressures.

5. Options Considered

5.1 The grant support schemes and their distribution mechanisms are prescribed by government, so there are no other feasible options to consider.

6. Legal and Statutory Implications

6.1 The grants and eligibility/distribution mechanisms will comply with the Local Government Finance Act 1998 and the Localism Act 2011.

7. **Equality Impact Assessment**

7.1 The eligibility criteria and distribution mechanism will seek to ensure that all recipients are treated equally, fairly and consistently.

8. **Financial and Resource Implications**

8.1 The EBSS Alternative Funding allocation to the Borough Council is £472,800 and is based on the estimated number of eligible applications which will be received by the government. The Council has received £378,240 to date, which represents 80% of the allocation. The Council will also receive £80,000 allocation for the Alternative Fuel Payment Alternative Fund.

The government will advise the Council of eligible recipients and the Council will forward the funds where appropriate. There will be a staff resource requirement to administer this grant so appropriate teams across the organisation have been identified to assist in delivering this additional work, and other tasks will need to be reprioritised to create the required capacity.

8.2 The Council Tax Support Fund 2023 allocation to the Borough Council is estimated to be £212,367. To date, 4,560 initial eligible claimants have been identified which takes up £110,525 of the grant allocation and this has been credited to Council Tax accounts in the billing run for 2023/24.

Further eligible claimants may become apparent after 1st April 2023 and credits will be made to Council Tax accounts at appropriate times where they are identified. Any surplus grant could be used, at the Council's discretion, to further support eligible claimants.

A "New Burdens" payment (unknown value at present) may be made available to the Council to offset administration costs in relation to assessing eligibility and distributing the grants via Council Tax accounts. It is proposed to utilise any funding received to offset additional staff costs in administering the grants, as no capacity exists within core teams and work programmes to undertake this additional work in the short timescales prescribed by the government.

9. **Major Risks**

9.1 Failure to accept and distribute the grants from government is highly likely to lead to severe reputational damage to the Council, potential intervention and penalties from central government, and challenge and legal action from eligible recipients. To mitigate these risks, it is recommended that the Council accepts and distributes the grants via the prescribed mechanisms.

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

10.1 In considering this decision, the following UN sustainable development goals will be considered:



11. **Key Decision Information**

11.1 This is a key decision as defined in the Council's Constitution. The item is included in the Cabinet's Forward Plan for the period in which the meeting is to take place.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None.

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 None.