

Public
Key Decision - Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Energy Bills Rebate – Local Scheme Policy

Meeting/Date: Cabinet – 19 July 2022

Executive Portfolio: Executive Councillor for Customer Services – Cllr S Ferguson

Report by: Revenues and Benefits Manager

Ward(s) affected: All

Executive Summary:

In February 2022, as part of its package of support to support households with the rising cost of energy bills, the Government introduced the Energy Bills Rebate scheme to be administered by local authorities. This comprises a one-off payment of £150 to the majority of households living in Council Tax Bands A – D and a discretionary fund to support households not eligible under the main scheme and to provide additional assistance to the most vulnerable households.

Further support measures have subsequently been announced by the Government, but these do not come under the remit of local authorities.

Huntingdonshire District Council (HDC) has been allocated £211,350 for the discretionary scheme.

Local authorities can determine how to best make use of this funding to support those suffering from financial hardship due to the increased cost of living and the resulting policy should be formally approved by Members.

HDC has developed a policy, known as the Energy Bills Rebate – Local Scheme, to provide support to groups of households most likely to be impacted by the current economic climate.

Recommendation:

The Cabinet is

RECOMMENDED

to approve Huntingdonshire District Council's Energy Bills Rebate – Local Scheme policy.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek approval of the discretionary Energy Bills Rebate – Local Scheme policy (known as the Local Scheme) to provide financial support to households not eligible for assistance under the main scheme.

2. BACKGROUND

- 2.1 To help households with the increased cost of energy bills, the Government's Energy Bill Rebate (EBR) scheme provides a one-off payment of £150 to eligible households in Council Tax Bands A-D (including Band E, where the award of a Disabled Band Reduction has lowered the band to D). In Huntingdonshire, around 60,000 households will receive this payment.
- 2.2 In setting the eligibility criteria, the Government determined that although rising costs affect most households, they are more likely to disproportionately affect those on lower incomes as they spend a higher proportion of their income on utility bills.
- 2.3 However, the Government also recognised that households not eligible under the main scheme will also be impacted and so set up a discretionary fund for local authorities to devise their own locally set policies and this can include making additional payments to the most vulnerable households in Bands A – D.
- 2.4 HDC has been allocated a budget of £211,350 to make payments under the local scheme. Payments must not exceed this amount and must be paid by 30 November 2022. Any unspent budget must be returned to the Government.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 The Government expects that support from the Local Scheme is targeted towards those most likely to be suffering hardship as result of the rising cost of living.
- 3.2 Given the size of the budget allocation, it is recognised that only a small proportion of households can benefit from payments under the Local Scheme. Officers consider that targeting support towards specific categories of household makes the best use of funding with a small amount of money held in reserve for exceptional cases.
- 3.3 Having considered Government guidance and local demographics, officers have identified three types of household that are on low incomes and/or likely to have higher fuel costs and modelled the budget allocation against the number of households in each category.
- 3.4 The three categories of household selected are as follows:

Council Tax Support (CTS) claimants: CTS is a means tested benefit for people on low incomes to help pay their Council Tax. Around 7,000 households in Huntingdonshire have a sufficiently low income to be in receipt of CTS. CTS claimants in Bands A – D receive £150 under the main EBR scheme. Under the Local Scheme, households in Bands A – D where CTS is awarded, will get a further payment of £25 and households in Bands E – H where CTS is awarded, will get a total payment of £150.

Disabled Band Reduction (DBR) recipients in Bands F - H: A DBR is applied in Council Tax where a property has been adapted to take account of a disabled person's needs and moves the property to a lower band. People living in Bands A – E receive £150 under the main EBR scheme. Under the Local Scheme, a payment of £150 will be made where a DBR has been applied to properties in Bands F - H. This means that all households qualifying for a DBR will get a rebate regardless of the band they are in.

Households with Council Tax exemptions N, S, U and W in Bands E – H: People with one of these exemptions living in Bands A - D receive £150 under the main scheme. Under the Local Scheme, a payment of £150 will be made to households, in receipt of one of these exemptions, living in Bands E – H. This means that all households qualifying for one of these exemptions will get a rebate regardless of the band they are in. (Exemption Class N: all residents are students, Exemption Class S: all residents are under the age of 18, Exemption Class U: all residents are classed as Severely Mentally Impaired, Exemption Class W: an annexe is occupied by an elderly or disabled relative of the householder).

- 3.5 It is recognised that there will be people not eligible for a payment under either the main or Local Scheme that are suffering hardship. The Council's Resident Advice and Information Team (RAIT) was set up to provide holistic support and guidance to residents facing difficulties during the pandemic. The team has evolved further to provide proactive and reactive support to people with a range of issues such as debt and housing. There has been an increase in the number of referrals for people who are struggling with the cost of living. Applications for support from the Local Scheme will be accepted from the RAIT. The amount of award will depend on the amount of money left in the budget, on the individual circumstances of the customer and the recommendation of the RAIT.
- 3.6 The policy intention of EBR is to provide financial support to people to pay their energy bills and the preferred solution is to make a payment directly to the householder's bank account. Where bank details are already held, the payment will be made without any action needing to be taken by the resident. Where no bank details are held, contact will be made with the resident to obtain this information. If this is not possible, the award will be credited to the liable person's Council Tax account.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The Panel discussed the Energy Bills Rebate – Local Scheme at its meeting on 7th July 2022.
- 4.2 Following a question from Councillor McAdam, the Panel heard that around 7,000 residents would initially benefit from the scheme.
- 4.3 Councillor Criswell praised the officers for the work that they had undertaken over the course of the pandemic in ensuring that the needs of residents had been met. He further welcomed the report and the pragmatic approach of the team to ensure best use of the funding available to the benefit of residents.
- 4.4 These sentiments were echoed by Councillor Bywater, who further enquired how residents would know that they were eligible for further support. The Panel heard that affected residents would be contacted directly and that a comprehensive communications plan was in place to support that message.
- 4.5 Following an enquiry from Councillor Shaw, the Panel heard that around 150 residents in Council Tax bands E to H would also benefit from the scheme having been identified as in receipt of Council Tax support.
- 4.6 Councillor Harvey enquired on the anticipated timescales for the project as it was observed that some residents were not yet in receipt of the initial rebate. The Panel heard that those residents who do not pay their Council Tax by direct debit had been contacted for their payment details but that this was a considerable piece of work. It was noted that should no contact be received from these residents by the end of July, their rebate would be credited to their Council Tax account in place of a payment to their bank account. The Panel were further appraised that the roll out of this proposed scheme would begin in August and is anticipated to run smoothly due to the payment detail collection and verification work done so far.
- 4.7 Following a question from Councillor Lowe, the Panel were advised that residents eligible for the rebate were identified on 1st April 2022. In the unlikely circumstance of a deceased resident since this date, the rebate would be passed to their estate.
- 4.8 Councillor Alban enquired whether this work had resulted in a positive increase in direct debit uptake. The Panel heard that this was indeed the case and that it was too early to tell if there would be any direct debit drop out following the initial increase.
- 4.9 The Panel were advised that eligible residents would be contacted directly but that Councillors would be able to signpost to a dedicated webpage should they receive any enquiries.
- 4.10 The Panel welcomed the report and thanked the officers for their hard work in supporting the residents of the district. The Panel encourage the Cabinet to endorse the recommendations within the report.

5. RISKS/MITIGATION

- 5.1 Due to the level of funding available, there is a risk that people adversely affected by the increased cost of fuel bills will not receive help through the EBR Local Scheme. However, since this scheme was announced, the Government has introduced further measures to help people which will provide a level of mitigation. These include a £400 non-repayable grant for utility bill payers to be paid from October by energy suppliers, a £650 non-repayable grant to be paid by DWP in two instalments to certain benefit claimants, £150 for people with disabilities and a £300 winter fuel payment for most pensioners. In addition, Cambridgeshire County Council's Household Support Fund is aimed at providing pensioners with further financial support.

6. TIMETABLE FOR IMPLEMENTATION

- 6.1 It is intended that work will begin immediately to distribute the funds with a deadline of 30 November 2022.

7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 7.1 The Energy Bills Rebate – Local Scheme contributes to the strategic priority of supporting people to improve their health and well-being.

8. RESOURCE IMPLICATIONS

- 8.1 The level of awards under the Local Scheme will not exceed the allocation of £211,350.

9. REASONS FOR THE RECOMMENDED DECISIONS

- 9.1 Government guidance requires the Local Scheme to be approved by elected Members.

10. LIST OF APPENDICES INCLUDED

Appendix 1 – Huntingdonshire District Council Energy Bills Rebate – Local Scheme Policy

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