



# Delegated Decision

Date	<b>28 MARCH 2022</b>
Title	<b>DISCRETIONARY COUNCIL TAX ENERGY REBATE SCHEME</b>
Report of	<b>CABINET MEMBER FOR STRATEGIC FINANCE, CORPORATE RESOURCES AND TRANSFORMATIONAL CHANGE</b>

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## EXECUTIVE SUMMARY

1. On 3 February 2022, the Government announced a package of support known as the Energy Bills Rebate to help households with rising energy bills. This included a £150 non-repayable rebate for households in England in council tax bands A – D\*, known as the Council Tax Energy Rebate mandatory scheme. It also included discretionary funding for billing authorities to support households who are in need but are not eligible for the Council Tax Energy Rebate mandatory scheme and instructed authorities to develop their own discretionary schemes. The discretionary scheme details were published on 23 February 2022.
2. As a consequence of the discretionary scheme details only being received from the government on 23 February 2022, the intended to made a decision was included on the Forward Plan on 11 March 2022 to give the requisite 28 days' notice as required by the council's constitution and the law. The decision is required urgently to enable the scheme to commence as soon as possible after 1 April 2022. The leader of the council has been consulted and has given her agreement that the decision by way of delegated authority may be taken by the Cabinet Member for Strategic Finance, Corporate Resources and Transformational Change under such circumstances and will be taken on or after 11 April 2022.
3. The discretionary scheme is time limited and needs to be processed by November 2022. As such, to administer these monies in the most efficient way and to monitor the spend, it is proposed to operate the discretionary scheme in two phases.
4. This report outlines the proposed scheme which will provide £150 to those residents who are not eligible for a payment under the mandatory scheme.

## RECOMMENDATION

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| <ol style="list-style-type: none"><li>5. To agree to the discretionary scheme being proposed as set out in para 11 and Appendix 1 to this report which will allocate £150 to those eligible residents to support them with the rising costs of energy bills.</li></ol> |
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## BACKGROUND

6. The Isle of Wight Council has been allocated £331,000 for the discretionary scheme, which would permit a maximum of 2206 awards of £150. This is a cash limited allocation and will not be topped up. Unspent funds must be returned to the government at the end of the scheme in November 2022.
7. We currently have around 12,000 properties in bands E – H, but we do not know how many households are not individually liable for council tax, nor how many households in those properties are in receipt of low-income benefits.
8. The proposed approach therefore aims to address the ‘unknowns’ and target the limited funds to the most vulnerable on the Island, whilst aligning with the government guidance.

## PROPOSED SCHEME

9. The scheme has been put together to assist residents on low incomes who will not be eligible for a payment under the mandatory scheme to ensure they also receive £150 to assist with rising energy costs.
10. Unlike the mandatory scheme for eligible residents of properties in bands A – D who will receive £150 based on occupancy on 1 April 2022, the discretionary scheme can be more flexible in respect of the date.
11. The scope and criteria for the allocation of the discretionary scheme is as follows:

### Phase 1:

- a. Residents liable for properties in council tax bands E – H and in receipt of Local Council Tax Support (LCTS) as at 1 April 2022 will be awarded £150 similarly to the mandatory scheme
- b. Residents liable for properties in council tax bands E – H and in receipt of Housing Benefit or Universal Credit as at 1 April 2022 are eligible to apply if they have not already received a payment under a. above.
- c. Households who have a liability for rent on 1 April 2022, but not council tax, and are also liable for energy bills, and are in receipt of Housing Benefit or Universal Credit.
- d. Residents liable for properties in council tax bands A – D who move into the property after 1 April 2022 who have not received a payment at a previous address.
- e. An application window will be open for at least one month (likely to be a two-month period) in Phase 1. No grant will be paid unless verification checks are cleared and an application form is completed if required.
- f. Consistent with the mandatory scheme, no award will be made to a local authority, a corporate body or other body such as a housing association or government body.

## Phase 2

g. If funds remain available after the initial application period is completed, a further scheme will be launched, inviting eligible residents not previously awarded a payment to make an application based on new criteria. Any revisions to the criteria for this would be approved by the S151 Officer and Executive Member.

## CORPORATE PRIORITIES AND STRATEGIC CONTEXT

12. The provision of the funding for this discretionary scheme will assist to support local residents on low incomes with rising energy costs, who would not otherwise be eligible under the mandatory scheme. This comprises of all households, including those with children.
13. Implementing this discretionary scheme aligns with the corporate values around economic recovery and addressing poverty. The scheme also meets the values of being community focused, as well as fair and transparent.

## CONSULTATION

14. Unfortunately, there is not the time to be able to undertake a consultation exercise given the urgency to implement the scheme as soon as possible after 11 April 2022 and the need to meet the government timetable to receive and process all applications by November 2022. However, the methodology has been undertaken in consultation with the Cabinet Member for Strategic Finance, Corporate Resources and Transformational Change and the s151 Officer.
15. The Cabinet Member for Strategic Finance, Corporate Resources and Transformational Change has also liaised with the Chair of Scrutiny with regard to the proposed scheme and he is in agreement with the scheme that has been developed to support residents who do not meet the criteria for a payment under the mandatory scheme.

## FINANCIAL / BUDGET IMPLICATIONS

16. Funding of £331,000 has been provided by government to facilitate this discretionary scheme. It has not been possible to model the scheme financially, however by implementing the scheme in two phases allows the financial position to be considered once the first phase has completed to make best use of remaining funding.
17. The scheme is designed to use all, but not exceed the available funding.
18. Any funds remaining at the end of the scheme in November 2022 are required to be returned to government.

## LEGAL IMPLICATIONS

19. The scheme is discretionary but guidance on core qualifying criteria has been specified by the Government as detailed in the report.

## EQUALITY AND DIVERSITY

20. The council has to comply with section 149 of the Equality Act 2010. This provides that decision makers must have due regard to the elimination of discrimination, victimisation and harassment, advancing equalities, and fostering good relations between different groups (race, disability, gender, age, sexual orientation, gender reassignment, religion/belief, pregnancy and maternity, and marriage/civil partnership).
21. The scheme has to be within the guidance set out by the government. The scheme is targeted at those in receipt of LCTS or other benefits and low incomes. There are no wider equality implications for those with protected characteristics within the meaning of the Equality Act 2010.

## OPTIONS

22. Option 1 – to award the allocation of funding provided by government to Island residents as detailed in the ‘Proposed Scheme’ section of this report, thereby providing them with additional financial support with rising energy costs whilst implementing the government guidance on intended recipients of the scheme.
23. Option 2 – to consult on the options, however there is not the time to able to undertake a consultation given the urgency to deliver the scheme within a short time frame.

## RISK MANAGEMENT

24. A risk of the proposed scheme is that no financial modelling can be undertaken to determine how many households may apply to the scheme, as the number of households in receipt of an eligible benefit living in a council tax band E – H property is unknown. However, this can be mitigated by adopting the phased approach to allow for a review after the first phase to determine how much funding is left and whether the eligibility criteria can then be widened to reach other residents not previously eligible to apply.
25. There is a risk that the funding will be spent completely, as no further funding in excess of the £331,650 will be provided. This can be mitigated by monitoring spend, and if required, closing the scheme once the funding has been fully allocated. Consultants have advised that authorities are unlikely to spend the full allocation of the discretionary fund even though the number of possible eligible applicants cannot be modelled, however the fund will be closely monitored and if it is reaching close to being spent in full, this will be reported directly to the Director of Corporate Services, the Cabinet Member for Strategic Finance, Corporate Resources and Transformational Change, and the Section 151 Officer to consider the authority’s position and subsequent actions.
26. Whilst the scheme cannot be appealed against as it is discretionary, a judicial review can be requested if the process agreed is not applied correctly.

## EVALUATION

27. Option 1 allows for the scheme to be implemented quickly and aligns with government guidance. Whilst there are financial risks due to the unknown volumes of applications which may be made, having a second phase of the scheme allows the authority to

review how much funding remains and how this would best be allocated to ensure the funding is maximised.

#### APPENDICES ATTACHED

28. Draft Discretionary Policy will follow once created.

#### BACKGROUND PAPERS

29. <https://www.gov.uk/government/publications/the-council-tax-rebate-2022-23-billingauthority->

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