

Cherwell District Council

Portfolio Holder for Finance

20 July 2022

Council Tax Discretionary Energy Fund Policy

Report of the Assistant Director of Finance

This report is public

Purpose of report

To provide an update on the options for spending the discretionary fund allocations for Council Tax Energy payment and recommend to the attached proposed policy.

1.0 Recommendations

The meeting is recommended:

- 1.1 To approve the proposed policy for the Council Tax Energy Payment Discretionary fund at appendix 1.

2.0 Introduction

- 2.1 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:
 - 2.2 A £150 non-repayable rebate for households in England in council tax bands A to D or Band E households eligible for disabled band reduction, known as the Council Tax Rebate.
 - 2.3 £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.
 - 2.4 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. Cherwell has received total funding of £235,800.

3.0 Report Details

- 3.1 The government guidance 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. It has therefore provided all authorities with a share of the £144 million Discretionary Fund. Cherwell have received total funding of £235,800.
- 3.2 The government guidance also states that 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.
- 3.3 As at 1 April 2022 Cherwell has 6255 residents that are in receipt of Council Tax Reduction and financial modelling has led to the following options being proposed.
- 3.4 Pay all customers that are in receipt of Council Tax Reduction and are liable for council tax in a property that attracts a Council Tax band E to H a one off payment of £180.00 there is currently 209 cases spending £37,620.
- 3.5 Customers in receipt of Council Tax Reduction and in occupation of a property that falls into Council Tax band A to D will receive a top up payment of additional £30.00 there is 6046 cases spending £181,380.
- 3.6 Allocate the remaining funds £16,800 to the South Northants and Cherwell Citizens Advice Bureau to help support those residents most in need and vulnerable.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Option 2 is the preferred approach and working with the Citizens Advice Bureau is preferred
- 4.2 This scheme is recommended as it will ensure the majority of the funds are dispersed quickly to those households that are vulnerable whilst also maximising the allocations.
- 4.3 Providing the funds in this form will help reduce the impact of the cost of price rises on health and support the better housing better service initiative, an Oxfordshire wide project.

5.0 Consultation

Not required

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1

- 6.2 Pay all customers that are in receipt of Council Tax Reduction and are liable for council tax in a property that attracts a Council Tax band E to H a one off payment of £175.00 there is currently 209 cases spending £31,350
- 6.3 Customers in receipt of Council Tax Reduction and in occupation of a property that falls into Council Tax band A to D will receive a top up payment of additional £25.00 there is 6046 cases spending £151,150
- 6.4 Invite applications for the remaining funds based a means tested application regarding income and expenditure.
- 6.5 This option has been discounted as we would need to delay allocating resources until we had received and assessed all applications in order to determine how much funding could be allocated. This would also delay providing funds to those most in need.

7.0 Implications

Financial and Resource Implications

7.1 Funding of £235,800 has been received and financial modelling has been undertaken to ensure maximisation of the fund to disperse to those most in need.

Comments checked by:

Michael Furness, Assistant Director for Finance, 01295 221845,
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Legal Implications

7.2 There are no legal issues associated with this report.

Comments checked by:

Helen Lolas, Team Leader, Legal Services, 07801400941

Risk Implications

7.3 Option 2 will see the majority of the funds awarded to customers so the risk of funds being returned to government is minimal. Any other arising risks will be handled as part of the service operational risk and escalated to the Leadership Risk Register as and when required.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 07580 031776,

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8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Adam Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

- Appendix 1 – Council Tax Discretionary Energy Fund Policy

Background papers

None

Report Author and contact details

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