

Council report

Report of Head of Finance

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To: COUNCIL on 16 February 2022

DATE: 16 February 2022

Local Council Tax Reduction Scheme – Energy Bills Rebate disregard (Prescribed amendment)

Recommendation(s)

That Council approve an amendment to its Local Council Tax Reduction Scheme (working age & pension age), inserting appropriate income disregard wording which takes account of Government's one-off £150 Energy Bills Rebate.

Purpose of Report

1. To seek approval for the council's current Council Tax Reduction Scheme's wording to be amended so that it can disregard Government's £150 one-off Energy Bills Rebate as income, in accordance with new legislation, when calculating a person's entitlement for council tax support and the amount of the support deduction.

Strategic Objectives

2. This amendment is required to ensure the council's Local Council Tax Reduction Scheme complies with Regulation changes, which are aimed at helping reduce the financial burden many households are facing with increased energy bills.

Background

3. The council's current Council Tax Reduction Scheme (CTRS) was agreed by Council at its meeting on 12 February 2020. It is applicable to all financial years from 2020/21 onwards until Council agrees any further changes to the scheme. No changes to the scheme were proposed for 2022/23 onwards.
4. On 3 February 2022, the Department for Levelling Up, Housing & Communities (DLUHC) issued a Council Tax information Letter (CTIL) summarising the Government's announcement that an Energy Bills Rebate will be provided to households in England in April 2022 to help protect them from rising energy costs. This includes a £150 rebate for most households in council tax bands A-D. In addition to this payment, discretionary funding will be provided to local authorities to support people on low incomes that do not pay council tax, or who pay council tax for properties in bands E-H.
5. The CTIL set out the Government's intention to lay Regulations amending aspects of the council tax system to support implementation of the Energy Bills Rebate. On 12 February 2022 the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 (The Regulations) came into force.
6. These Regulations also amend the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to require that from 1 April 2022 all local council tax support schemes (including those for persons of working age as well as those of pension age) must disregard Energy Bills Rebate payments in determining a person's eligibility for a council tax reduction and the amount of any such reduction.
7. All local schemes are required to be amended to reflect these changes by the statutory deadline of 11 March 2022. Council is therefore recommended to agree these changes to the Council's CTRS scheme, as required by the Regulations.

Climate and ecological impact implications

8. There are no direct climate and ecological impact implications of this report.

Financial Implications

9. There should not be any financial implications for the council because, in effect, the one-off £150 Energy Bills Rebate will now have no impact on calculations in respect of CTRS. Furthermore, residents in receipt of council tax support will also not see any changes in their entitlement as a result of Government's decision to make the one-off £150 Energy Bills Rebate available.

Legal Implications

10. All legal implications are set out in the body of the report.

Risks

11. The risk in not approving the required amendment to the local council tax support scheme would be that the council does not comply with The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022.

Conclusion

12. It is recommended that full council approves the required changes to the CTRS scheme as outlined above with the above to ensure those in receipt of council tax support are not adversely affected financially by the Government's decision to make the one-off £150 Energy Bills Rebate.

Background Papers

- None.