

# Appendix 1



## Energy Rebate Policy

## Version Control

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## Introduction

Guidance was issued from the Department for Levelling Up, Housing and Communities (DLUHC) on 23 February 2022 to support billing authorities in the administration of the 'Council Tax Rebate' and the associated Discretionary Fund, previously announced in early February as part of the support package for rising energy costs.

The support package included:

A £200.00 discount on energy bills this autumn for domestic energy customers, which will be paid back over the next 5 years.

A £150.00 payment for most households in England in council tax bands A to D, which is now known as the 'Council Tax Rebate'.

£144 million of discretionary funding for billing authorities to support households who are in need, but are not eligible for the 'Council Tax Rebate'

Guidance from the Department for Business, Energy and Industrial Strategy (BEIS) will be setting out details on the energy bill discount in a consultation in the spring.

This policy covers the operation of the 'Council Tax Rebate', and the associated Discretionary Fund, and for the purposes of this policy, these two schemes are referred to as the 'Energy Rebate'.

## Funding

Funding will be paid to billing authorities on 30 March 2022. Allocations are based on the 2021 council tax base statistics.

Portsmouth City Council's allocation totals £12,752,700 across the two schemes:

- Council Tax Rebate: £12,318,900 (Funding for 82,126 households) - this is funded on a re-imbusement basis
- Discretionary Fund: £433,800 (Funding for at least 2,892 households) - this is a fixed cash limited sum

## Council Tax Rebate and it's eligibility

The funding provided to billing authorities is to be paid directly as one-off grant payments to households that are eligible under the terms specified in the guidance provided by DLUHC.

Council Tax Rebate grants should be distributed as soon as possible from April 2022, and all payments are required to have been made by 30 September 2022. Following this, government shall run a reconciliation process, and any over-funding to billing authorities will be required to be paid back, and any under-funding will be settled with the relevant billing authority.

The government recognises that many households will need support to deal with the rising cost of households bills in 2022-23, driven by increasing energy costs. Whilst these rising costs will affect most households across the country, they are more likely to disproportionately affect those on lower incomes, who tend to spend a higher proportion of their income on utility bills.

To provide some immediate relief for these rising costs, whilst targeting those most likely to require support, the government has requested that billing authorities provide a £150.00 one-off payment to a liable council tax payer for every household that occupies a property which meets all of the following criteria on 1 April 2022

- i. The chargeable dwelling is valued in council tax bands A to D. This includes dwellings valued in band E that attract a disabled band reduction, and as a result council tax liability is the equivalent of band D;
- ii. It is someone's sole or main residence;
- iii. It is a chargeable dwelling, or attracts the following exemption classes:
  - > Class N (Dwellings only occupied by full time students)
  - > Class S (Dwellings only occupied by persons under the age of 18)
  - > Class U (Dwellings occupied by severely mentally impaired persons)
  - > Class W (Occupied Annexes)
- iv. The person who is liable to pay the council tax (or would be were the property not exempt) is not a local authority, a corporate body, or other body such as a housing association or governmental body.

This means that a property which meets all of the above criteria, but has a nil council tax liability as a result of local council tax support **will** be eligible.

For the purposes of this scheme, a household is a person or group of persons occupying a single dwelling as defined in section 3 of the Local Government Finance Act 1992. For more information see [Local Government Finance Act 1992 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/1992/15)

Eligibility should be determined based on the position at the end of the day on 1 April 2022, therefore being consistent with the liability provisions at section 2(2) of the Local Government Finance Act 1992. For more information see [Local Government Finance Act 1992 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/1992/15)

Where records relating to the liable taxpayer(s) or residents' circumstances in respect of 1 April 2022 are retrospectively updated, councils should take reasonable steps to pay or clawback payments.

Where the property band recorded on the valuation list is amended retrospectively to 1 April 2022, for example as a result of a successful appeal made to the Valuation Office Agency ('VOA') that concluded after this date, Portsmouth City Council is not required to pay or clawback payments. The exception is where a property is a new build and awaiting an official banding from the VOA. In these cases, eligibility should be determined based on the official band subsequently allocated by the VOA, where this has an effective date before or on 1 April 2022. In the event that such an official band were provided by the VOA after this scheme's closing date, the dwelling will not attract a 'Council Tax Rebate'.

Where a review, proposal or appeal pre-dating the announcement on 3 February 2022 is successful after 1 April 2022 and as a result, a property would have been eligible for the rebate, Portsmouth City Council may consider providing support using the Discretionary Fund.

Where Portsmouth City Council has reason to believe that the information it holds about the valuation list, liable charge payer(s) or residents' circumstances in respect of 1 April 2022 is inaccurate, it will withhold the payment and take reasonable steps to determine the correct information.

Payments should be provided directly to eligible households. Only one payment should be made per household, regardless of the number of occupants or liable council taxpayers.

## **Council Tax Rebate - Exclusions from eligibility**

The following exclusions exist within this scheme:

- i. Properties in Bands E to H are not eligible for the Council Tax Rebate, with the exception of Band E properties where a disabled band reduction exists, whereby the property has an alternative valuation band of D.
- ii. Where a property attracts an exemption (with the exception of classes N, S, U or W) it cannot attract a 'Council Tax Rebate'. Other occupied but exempt dwellings are not eligible for the 'Council Tax Rebate'.

Please note that the Ministry of Defence will be in touch with residents of armed forces accommodation that is exempt under class O about corresponding cost of living support. This support will sit outside of the 'Council Tax Rebate' provisions.

- iii. A property that has no permanent resident and is someone's second home is not eligible for the 'Council Tax Rebate'.
- iv. An unoccupied property will not be eligible for a 'Council Tax Rebate'. This includes dwellings attracting class C and class D empty property discounts, and long term empty properties where a premium is charged.

- v. The 'Council Tax Rebate' will not be paid to a local authority, or a corporate body. The definition of a corporate body will include any:
- > governmental body
  - > housing associations
  - > corporate bodies, including associations, institutions, businesses, non-profit enterprises, religious bodies and local churches.

## **Council Tax Rebate - Making Payments - Direct Debit Payers**

Where Portsmouth City Council holds live direct debit instructions for a liable council taxpayer of an eligible household, the council will make an automatic payment as early as possible in the 2022-23 financial year, provided that the council is assured that the household is eligible and the bank details have been verified.

Where multiple residents of an eligible household are jointly and severally liable for council tax, and the council holds live direct debit instructions for that household, the full £150 payment should be made to the direct debit account, but the payment is for the benefit of the household as a whole.

Portsmouth City Council will exclude any direct debits from automated payments (and follow the process for non-direct debit payers) where the name on the bank details does not match a liable party.

To prevent erroneous payments and the need for clawback, automated payments will not be made until after the first direct debit council tax payment for 2022-23 has been taken on the live instruction. Direct debit instalment dates are the 1<sup>st</sup>, 7<sup>th</sup>, 15<sup>th</sup> and 22<sup>nd</sup> of the month.

In accordance with government guidance 'Council Tax Rebates' are required to be paid to eligible households by 30 September 2022.

## **Council Tax Rebate - Making Payments - Non-Direct Debit Payers**

Where Portsmouth City Council does not hold live direct debit instructions for an eligible household, or where the bank account name for a direct debit payer does not match the name of the council tax payer, Portsmouth City Council will contact the household by letter.

The letter will provide information about the 'Council Tax Rebate' scheme and invite the household to make a claim online. The letter will provide a secondary application channel by telephone for those who are digitally excluded.

As part of the application process, the household will be asked to provide their bank account details for the payments to be made to them.

The claimant will be required to confirm that they are the council tax payer (or would be in the case of Class N, S, U and W exemptions), and that they meet the eligibility conditions of this scheme, and that they are claiming on behalf of the household.

The invitation to apply will include information on how a household may contact the council if they have any doubt that it is the council making contact. This will include signposting to the council's website and a telephone line for the digitally excluded.

The application will also require the claimant to declare that they understand that the government and Portsmouth City Council will not tolerate any council tax payer falsifying their records or providing false evidence to gain access to the 'Council Tax Rebate', and that any person who provides false information or makes false representation in order to benefit from the Council Tax Rebate or Discretionary Fund may be guilty of fraud under the Fraud Act 2006.

Once an application has been received Portsmouth City Council will undertake pre-payment checks of any payment which is not awarded to a live direct debit holder. The council is required to:

- i. Satisfy itself that the person who is applying is entitled to payment; and
- ii. Satisfy itself that that payment details provided (if applicable) belong to an entitled person and relate to the relevant address.

Portsmouth City Council is required to retain a record of all evidence provided as part of a claim for a 'Council Tax Rebate', and details of all associated pre-payment checks undertaken.

Government is making available 'Spotlight', its due diligence risking tool. 'Spotlight' will be used to assist with the pre-payment checks listed above with its bank account verification function, which allows the council to confirm the name and address of a payee against the bank details provided. It can also check for instances of multiple applications being made with the same bank account.

Portsmouth City Council will hold a record of any instances of attempted or successful fraud whether uncovered by 'Spotlight' or by other tools or processes.

## **Council Tax Rebate - Making Payments - Non-Direct Debit Payers - The Backstop**

If, following the issue of a reminder letter, a 'non-direct debit paying' household fails to respond to the council, the council will, based on the information available make a decision to award or not award a 'Council Tax Rebate' payment.

Where the council is satisfied that the dwelling is valued in bands A to D, and is a chargeable dwelling occupied by a party that is not excluded from eligibility, a backstop process will be implemented whereby a payment of £150.00 is added to the council tax account. This, in turn, will reduce the amount of council tax payable.

Where a council tax account is credited with the £150.00 payment, it will be allocated against the oldest debt. Where there is no debt/arrears, it will create a credit in the current billing period.

Where a backstop payment is allocated to the council tax account, it will only be refunded where the council tax account is in credit.

## **Discretionary Fund and it's eligibility**

DLUHC has provided Portsmouth City Council with a fixed cash limited sum of £433,800 to provide support to other energy bill payers who are not eligible under the terms of the core 'Council Tax Rebate' scheme.

Grants from the Discretionary Fund will be distributed as soon as possible from June 2022, and all payments are required to have been made by 30 November 2022. Following this, government shall run a reconciliation process, and any over-funding to billing authorities will be required to be paid back.

Whilst payments from this scheme must be distributed by 30 November 2022, please note as a cash limited scheme, the Discretionary Fund will close early should all funding have been dispersed ahead of 30 November 2022.

Determination of awards of discretionary payments will be facilitated by an application window which will be open for two months.

Portsmouth's discretionary scheme will seek to support:

- i. Residents liable for council tax on 1<sup>st</sup> April 2022 in properties banded E-H in receipt of local council tax support on 1<sup>st</sup> April 2022. These households will be treated in the same way as the core scheme that applies to properties banded A-D.
- ii. Residents liable for council tax in properties banded E-H on 1<sup>st</sup> April 2022 in receipt of Pension Credit Guarantee Credit, Housing Benefit, Universal Credit, Working Tax Credit or Child Tax Credit or any other out of work benefit on 1<sup>st</sup> April 2022, where there is no eligibility to local council tax support. In this instance an application from the energy payer will be required.
- iii. Households which are the energy payer occupying band A-D properties on 1<sup>st</sup> April 2022 that are excluded from payment under the core 'Council Tax Rebate' scheme. In this instance an application from the energy payer will be required.
- iv. HMO households occupying band A-H properties that are excluded from payment under the core 'Core Tax Rebate' scheme. In the instance an application from the energy payer will be required.
- v. Recipients of local council tax support who attract funding from the core scheme, may be considered for top up support from any underspend from the discretionary scheme, once the application window has closed. This will be at the discretion of the council.

For any applicant who does not qualify for local council tax support, information about the household's gross income and capital may be required. Additionally applicants under the discretionary scheme will need to provide evidence that they

are the energy payer (or energy costs form part of their rent service charges), and their reasons for exclusions from the core scheme will needed to be understood.

## **Discretionary Fund - Exclusions from eligibility**

The following exclusions exist within this scheme:

- i. Properties in Bands A to D that are eligible for the 'Council Tax Rebate', including Band E properties where a disabled band reduction exists, whereby the property has an alternative valuation band of D, are excluded from the Discretionary Fund, with the exception of recipients of local council tax support who may be considered for an additional top up award from the discretionary scheme.
- ii. Properties attracting exemption class O (Armed Forces Accommodation) are not eligible for a payment from the Discretionary Fund. Please note that the Ministry of Defence will be in touch with residents of armed forces accommodation that is exempt under class O about corresponding cost of living support. This support will sit outside of the 'Energy Rebate' provisions.
- iii. A property that has no permanent resident and is someone's second home is not eligible for payment from the Discretionary Fund.
- iv. An unoccupied property will not be eligible for a payment from the Discretionary Fund. This includes dwellings attracting class C and class D empty property discounts, and long term empty properties where a premium is charged.
- v. Discretionary Fund Payments will not be paid to a local authority or a corporate body. The definition of a corporate body will include any:
  - > governmental body
  - > housing associations
  - > corporate bodies, including associations, institutions, businesses, non-profit enterprises, religious bodies and local churches.

## **Energy Rebate - Notice of Decisions**

All decisions will be communicated by letter or email.

The award letter will confirm that the grant is provided on the understanding that the council tax payer, or the party that would have been if class N, S, U or W did not apply, is awarded payment based on the scheme's eligibility conditions, and by accepting the payment, the recipient is confirming their eligibility. The award letter will also make clear that the payment is being provided to support all residents of the household.

Where a decision is made to reject an application for a payment, the applicant will be advised of the reason for their ineligibility against the scheme.

Award notices will include information regarding the right of appropriation.

## Energy Rebate - Appeals

DLUHC has confirmed that it is for billing authorities to determine eligibility for the 'Council Tax Rebate' with reference to government guidance and in the case of the discretionary scheme against the council's published eligibility criteria.

As such the government does not have a role in the case of disputes against decisions to pay or not an energy rebate grant.

Any disputes about council tax banding is a matter for the Valuation Office Agency (VOA), and should be progressed through their usual process for reviews, proposals and appeals. For more information about this process go to <https://www.gov.uk/council-tax-bands>. For those unable to use the online service, the VOA can be contacted by telephone or email. Their contact details are:

Valuation Office Agency  
[ctonline@voa.gov.uk](mailto:ctonline@voa.gov.uk)  
Telephone (England): 03000 501 501  
Monday to Friday, 9am to 4:30pm

Whilst there is no formal right of appeal against award decisions, Portsmouth City Council will look at award decisions again, where additional information is provided or where an error in the original decision is identified. If following this review, a resident remains dissatisfied with the outcome, they may consider following the council's complaints process. More information about Portsmouth City Council's complaints process can be found at [Complaints - Portsmouth City Council](#)

Any associated dispute between household residents, or between tenants and their landlord is a matter for those parties, and not a matter for Portsmouth City Council.

## Energy Rebate - Fraud and Error

The Government and Portsmouth City Council will not tolerate any council tax payer or other persons falsifying their records or providing false evidence to gain access to a 'Council Tax Rebate' or a grant from the Discretionary Fund. A person who provides false information or makes false representation in order to gain support from these schemes may be guilty of fraud under the Fraud Act 2006.

## Recovery of amounts incorrectly paid

If it is established that a payment has been made incorrectly due to error, incorrect information provided to the council or misrepresentation, the Council shall seek to recover the amount in full.

## Energy Rebate - Communication

Billing Authorities are required to ensure that households are provided with clear and timely information about the 'Council Tax Rebate'.

The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 came into force on 12 February 2022. The regulations require the following explanatory sentence to be included in the council tax demand notices issued to households in respect of 1 April 2022: “The Government is providing a £150 one-off Energy Bills Rebate for most households in council tax bands A-D”.

Additionally the government provided an information pamphlet about the terms and implementation of the Council Tax Rebate. It is a condition of the grant provided to administer the rebate that councils must send the pamphlet to all dwellings shown on the valuation list in bands A to D. This pamphlet has been included with all 'A to D' annual bills for the period 1 April 2022 to 31 March 2023, and a copy can be found in Appendix A.

## **Impact of payments on benefits and local council tax support**

All payments made under the Council Tax Rebate or the Discretionary Fund are to be treated as local welfare provision and therefore will not be taken into account in the calculation of income related benefits.

From 1 April 2022 all local council tax support schemes are also required to disregard payments under the 'Council Tax Rebate' or the Discretionary Fund in determining a person's eligibility for local council tax support and the amount of any associated local council tax support award. This approach is underpinned by the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 which came into force on 12 February 2022.

## **Tax**

All payments made under the 'Council Tax Rebate' or Discretionary Fund are non-taxable. Recipients do not need to inform Her Majesty's Revenues and Customs (HMRC) of the amounts received and those who are self-employed do not need to report the amounts on their self assessment tax returns. As these payments are non-taxable they do not impact tax credits. Tax credits claimants do not need to report these payments as income to HMRC.

## **Monitoring and reporting**

Billing authorities are required to maintain a record of expenditure under the 'Council Tax Rebate' and Discretionary Fund, through all payment methods. DLUHC will undertake a monthly DELTA collection exercise to monitor implementation progress.

Councils are therefore required to put in place arrangements to support this data collection process. In particular, councils should ensure that they are able to monitor and report on expenditure and numbers of benefiting households (both from the 'Council Tax Rebate' scheme and Discretionary Fund) at Parliamentary constituency level and local authority level.

## **Data Protection**

All information and data provided by applicants will be dealt with in accordance with the Council's data protection policy and privacy notices which are available on the Council's website.

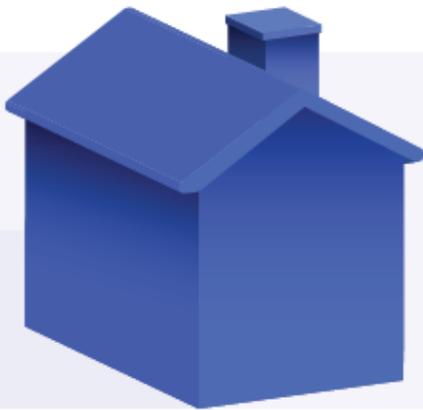
## **Scheme of Delegation**

The council has approved this scheme, and the Director of Finance and Resources is authorised to make technical policy amendments to ensure the scheme continues to meet the criteria set by the government and Portsmouth City Council.

## Appendices - Appendix A - Government Pamphlet



# £150 GOVERNMENT COUNCIL TAX REBATE



If you live in a property in council tax bands A to D, you are likely to receive a £150 council tax rebate from the Government to help with the cost of living.

As countries around the world come out of Covid-19 lockdowns, surging demand for energy has meant energy prices have increased. Over the past year, the price of gas alone has quadrupled.

Whilst the problem is global, the effect is being felt by millions of households here in the UK.

The Government has listened to these concerns and it has acted.

Recently, the Government announced that around 20 million households in England in council tax bands A-D will get a £150 rebate from April.

**The rebate will not need to be repaid.**

## WHO'S ELIGIBLE?

Households in council tax bands A-D will receive the £150 council tax rebate.

This means 4 out of 5 households in England will benefit, including around 95% of rented properties. However, second homes or empty properties will not benefit. If you are unsure of your council tax band, check your council tax band via your printed council tax bill or at: <https://www.gov.uk/council-tax-bands> or contact your local council.

### What if my household isn't eligible?

- Councils will receive an extra £144 million to provide support to vulnerable households who may not qualify for the £150 council tax rebate.
- This includes people on low incomes in council tax bands E-H.
- Your council will provide more detail on how this will operate in your area.

### How will my household get its £150?

- Your council will confirm how the rebate will be paid in your area.
- For people who pay council tax by direct debit, in most cases, the rebate will go directly into bank accounts. If you don't already pay by direct debit, you might want to sign up. This will make sure the rebate is paid to you quickly.
- For those who do not pay council tax via direct debit, your council will confirm how the rebate will be paid to you. Please make sure that communication is from your local council before providing payment details.
- The rebate will not need to be repaid.

### What else is on offer to support households with their energy bills?

- We are helping to spread the cost of the recent jump in energy prices over several years. £200 of this year's energy bill will be taken off from October and spread equally over the next 5 years instead, easing the burden on family budgets. This is not a debt, no interest is charged and no credit ratings are affected.
- The Warm Home Discount will be expanded, so nearly 3 million low-income households will benefit from a £150 discount.

Scan the QR code with your smart mobile device to check your council tax band.

