

Name of meeting: Cabinet

Date: 05/04/2022

Title of report: Government proposals for additional Household Support in 2022/23

Purpose of report: To set out Council proposals to provide support for households in 2022/23 in accordance with funding and associated guidance issued by Government.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes  If yes give the reason why – indicative Government funded assistance package Borough wide, totalling £ 29.34m
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u> ?	Key Decision – yes  Private Report/Private Appendix – No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer-Henshall 28/03/22
Is it also signed off by the Service Director for Finance?	Eamonn Croston 28/03/22
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft 28/03/22
Cabinet member <u>portfolio</u>	Cllr Paul Davies

Electoral wards affected: All Ward councillors consulted: None

Public or private: Public

Has GDPR been considered? Yes

## 1. Summary

- 1.1 On the 3<sup>rd</sup> February 2022 the government announced a package of support for rising energy costs which was to be delivered through a Council Tax Rebate and associated Discretionary Fund for households. This report sets out the government's guidance and seeks a decision as to how best to ensure those entitled to support and those requiring support, receive it.
- 1.2 All eligible households will be entitled to the Government announced package of support for rising energy costs. This payment is addition to the 16<sup>th</sup> February 2022 Budget Council approved continuation of additional targeted support to the borough's lowest income households eligible for the Council's Council Tax Reduction (CTR) scheme, for 2022/23.
- 1.3 All payments made under the Council Tax Rebate or 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. For Universal Credit, the Department of Work and Pensions has legislated to ensure payments are disregarded.
- 1.4 All payments made under the Council Tax Rebate or Discretionary Fund are non-taxable. Recipients do not need to inform 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 on tax credits. Tax credits claimants do not need to report these payments as income to HMRC.
- 1.5 On 23 March 2022, the Chancellor announced some further measures to households as part of the Government's Spring Statement. This included a further £500m national Household Support funding allocation to Councils for 2022/23. This follows on from a £500m national funding allocation which covered the period October 2021 to March 2022; this Council's share £3.702m. This Fund is intended to support vulnerable people with payments and grants such as vouchers to help meet daily needs such as food, clothing, and utilities.
- 1.6 It is anticipated (subject to Government confirmation) that Government guidance on the 2022/23 funding allocation will be the same as that issued for the 2021/22 Housing Support Fund, and a similar £3.7m allocation to Kirklees; the latter again subject to Government confirmation.

## 2.0 Information required to take a decision

### **Council Tax Rebate Fund**

- 2.1 Kirklees will receive a funding allocation of £ 25,635,450 which is made up of £24,670,650 for the Rebate Fund and £964,800 for the Discretionary Fund.
- 2.2 **The Rebate Fund** is only available to following households in Council Tax Bands A to D (or band E where it has been reduced to band D with a disabled band reduction) where those criteria applied on 1<sup>st</sup> April 2022 :
  - The property is someone's sole or main residence
  - The person in receipt is liable to pay council tax (or would be were the property not exempt)
  - The property is a chargeable dwelling, or in exemption classes N, S, U or W\*
    - N - Properties occupied solely by students
    - S - Occupied by under eighteen year olds only
    - U - Occupied only by severely mentally impaired persons

## W - Annexe occupied by dependant relative

This means that:

- A property that meets all the criteria, but has a nil council tax liability as a result of a local council tax reduction, will be eligible.
- A property that has no permanent resident and is someone's second home will not be eligible.
- An unoccupied property (for the purposes of calculating council tax) will not be eligible.

2.3 There are currently 190,566 properties listed for Council Tax purpose, of those 170,397 are in Bands A to D. The Rebate Fund is sufficient to cover 164,471 households and not all households will qualify. This fund will be reconciled meaning that Government will fully fund all entitled payments. However all payments must be made by 30<sup>th</sup> September 2022 in order for the payment to be met from this fund. Any payment made after that date will not be funded by Government.

2.4 Eligible households are split into two groups. Those that pay by Direct Debit and those that don't. Those that pay by Direct Debit will not be required to take any action. Payment of £150 will be made directly to their bank account using the live Direct Debit information. Appropriate controls will be in place to prevent as far as possible any mistakes or fraudulent activity.

2.5 Those that don't pay by Direct Debit will need to make an application. The Council is working with its software suppliers to ensure appropriate internal controls are in place to support efficient and effective payments to eligible households. Applicants will be able to request that the £150 be credited to their council tax account should they choose to do that.

2.6 The Council will be encouraging those that don't ordinarily pay council tax, to apply for the rebate. The application process will be online and will be available as assisted digital for those that require support. It is worth noting that automation is key given the expected volume of applications. About 117,800, or 62% of the total households in Kirklees currently pay by Direct Debit, and the remaining 62,500 eligible households will need to apply for the payment.

2.7 Applications cannot be made before 1<sup>st</sup> April 2022 and must be decided by 30<sup>th</sup> September 2022. Illustratively, this would be the equivalent of Welfare & Exchequer staff processing an average of 341 payments each day including weekends (62,500/183 days). That is a significant increase in workload, hence processes that support automation and self-service will be critical to ensuring timely payments within Government guidelines to all eligible households.

2.8 Government has also clarified that once the Council has done all it can to solicit applications from those entitled, any household that has not applied for the payment or Council Tax account credit can receive that credit by default. At this stage officers recommend that where no application has been made by 16<sup>th</sup> August 2022, the Council Tax account of the liable party should be credited with £150 as a backstop to be redeemed at a later date by a means appropriate to that household. This will ensure at least that no household loses out to a rebate they are entitled to.

2.9 Councils are required to issue the Government's own leaflet with Council Tax Bills – and Council officers have used Government guidance flexibility to amend that leaflet to promote the local take up of Direct Debit. The leaflet reproduced at appendix 1 has been issued to all households as required by the guidance and grant conditions through the recent annual Council Tax billing process for 2022/23

## Discretionary Fund

- 2.10 **The Discretionary Fund** is available to any household that doesn't qualify under the rebate fund where that household has energy bills and any household that does qualify under the rebate fund where we identify that they will benefit from a carefully targeted top up.
- 2.11 The fund is £964,800 which would equate to £150 for 6432 households were we to allocate £150 under the discretionary scheme. At least 20,043 households don't qualify under the main scheme and so there is insufficient funding available in the discretionary fund to provide comparable support for all of those households.
- 2.12 Councils can determine locally how best to make use of this funding to provide payments to other households who are energy bill payers but not covered by the Council Tax Rebate. This could include households living in property valued in bands E – H that are on income related benefits or those where the energy bills payers are not liable for council tax. Kirklees currently has 540 households in bands E to H that are in receipt of a means tested council tax reduction that would equate to £81,000
- 2.13 A total of 20,043 households are in bands E to H which means that were any remaining fund to be distributed to those households not entitled to a council tax reduction it might amount to £883,800 ( $£964,800 - £81,000$ ) / 19,503 (20,043-540) = £45.31.
- 2.14 There are however other households that might benefit more from the discretionary fund if their energy liabilities count for the purposes of the fund (clarification is being sought). At this stage Council officers have identified:
- those that qualify under the main scheme that are deemed particularly vulnerable may receive a carefully targeted top up payment from the discretionary fund in addition to the £150 they have already received;
  - those in licensable houses in multiple occupation where the landlord is liable for Council Tax;
  - Staying Put and Shared lives boarders if they pay energy costs as a condition of residency;
  - those in temporary or B&B accommodation housed by the local authority with energy charges;
  - those with no recourse to public funds housed in property where the landlord is liable for council tax; and
  - those that do not qualify for a main scheme payment because they were not resident anywhere for the purposes of the main scheme on 01/04/22 e.g. young people that become liable for council tax for the first time after 01 April 22 but before the discretionary scheme ends on 30 November 2022
- 2.15 It is proposed that Cabinet delegates authority for implementing and monitoring the Discretionary Fund based on the above criteria, to the Strategic Director for Corporate Strategy, Commissioning & Public Health and the Service Director Finance, in consultation with the Corporate portfolio holder.
- 2.16 It is also proposed that Cabinet delegates authority to the Strategic Director for Corporate Strategy, Commissioning & Public Health and Service Director Finance, in

consultation with the Corporate portfolio holder, to vary the eligibility criteria for the Discretionary Fund and to make further changes to the scheme as required to achieve the objectives of the Fund within available means.

Once approved, the eligibility criteria for the Discretionary Fund will be published on the Council's website.

- 2.17 Support from the Discretionary Fund does not have to be provided in relation to the position on 1 April 2022. Allocations from the discretionary fund must be paid to eligible households by 30 November 2022. Any remaining funding will be required to be repaid to Government. It is also worth noting that the fund will not be topped up if expenditure exceeds the allocation.

### **Household Support Fund**

- 2.18 The Chancellor announced on 23 March 2022 as part of the Spring Statement, an extension of the 2021/22 Household Support Fund with a further £500m national funding allocation for 2022/23. Subject to Government confirmation, it is expected that the further funding allocation will follow the same Government grant guidance as the 2021/22 Household Support Fund; namely supporting vulnerable people with payments and grants such as vouchers to help meet daily needs such as food, clothing, and utilities; and endorsed through a specific "Household Support Fund " report approved by cabinet on 16 November 2021.
- 2.19 The Council's share of the £500m 2021/22 funding allocation was £3.702m and this is anticipated to be fully utilised by the end of March 2022. A similar funding allocation is anticipated for 2022/23; again, subject to Government confirmation.
- 2.20 While at the time of writing this report, updated government guidance is still awaited regarding the 2022/23 funding allocation, It is anticipated that the types of intervention set out in the previous Cabinet report, would equally be applicable for the extended 2022/23 funding allocation.
- 2.21 It is intended that officers will work with services and partners to identify funding recipients through the Local Welfare Provision scheme. This approach will continue to take advantage of the existing administration and delivery mechanisms that meets the needs of any resident before that resident finds that they are without the food and essential supplies they need, because they have insufficient means to meet all of their liabilities.
- 2.22 This will ensure the most appropriate and timely interventions with services and partners, including but not limited to (and subject to updated government guidance):
- a) Food: Whether in kind or through vouchers or cash, including breakfast clubs
  - b) Energy and water: For any form of fuel and water bill
  - c) Essentials linked to energy and water: Including sanitary products, warm clothing, soap, blankets, boiler service/repair, purchase of equipment including fridges, freezers, ovens, etc
  - d) Wider essentials: Including broadband or phone bills, clothing, and essential transport-related costs such as repairing a car, buying a bicycle or paying for fuel
  - e) Housing Costs: In exceptional cases of genuine emergency where there is no other existing mechanism of support to meet that cost of rent (mortgage costs are not included)
- 2.23 To give some illustrative context, assuming £3.702m funding allocation for 2022/23, providing the equivalent of Free School Meal and fuel support for approximately 16,500 children over the 13 week holiday periods during 2022/23 at the equivalent

£15 per eligible child per week, would equate to about to £3.2m. The balance of £0.5m could support families and individuals more generally. It is intended that this funding will be allocated to the Council's existing Local Welfare Provision Fund which supports our most vulnerable families and individuals across the borough. This presumes that there is no restriction upon the date by which funding is to be spent, and at this stage we are awaiting guidance.

2.24 While extension of the Government Household Support funding for 2022/23 is welcomed, the relatively late announcement on 23 March 2022 and pending confirmation on government guidance, means a short timescale for the Council to effectively plan early for, target and distribute £3.7m funding to those most in need over the 2022/23 period. In light of this, the range of anticipated eligible funding interventions set out at paragraph 2.22 earlier will need to be continually reviewed and flexed accordingly for maximum effect.

2.25 In view of this, it is recommended that Cabinet delegate authority to the Strategic Director for Corporate Strategy, Commissioning and Public health and Service Director for Children's Services, in consultation with the Corporate portfolio holder , Learning, Aspiration & Communities portfolio holder and Service Director Finance, to direct the resource to appropriate interventions through 2022/23 through the Council's existing Local Welfare Provision scheme which supports the Council's most vulnerable families and individuals across the borough.

### **3. Implications for the Council**

#### **3.1 Working with People**

The payments will provide financial assistance to residents that qualify.

The Council will continue to ensure that households and individuals are aware of what the Council can do to provide advice, guidance and support at this time with the resources it has available.

To seek opportunities to work with people, partners and in places, to find alternative solutions and to provide resilience in communities with initiatives like "The Bread and Butter Thing" which has started in Chickenley, is to start in Dalton and will start in three other areas yet to be determined.

#### **3.2 Working with Partners**

Partners in the third sector will be critical in ensuring that those most vulnerable are aware of how they access this funding. We will ensure that partners are equipped to provide appropriate advice guidance and support

#### **3.3 Place Based Working**

There will be a need to directly engage with some residents that are hard to reach. For example this could include visiting Houses in Multiple Occupation to talk to residents about the discretionary energy support scheme. The Universal Credit benefit system and the way that housing costs support works for this cohort means that the authority knows little about the individuals and direct marketing isn't always possible – we will explore all possibilities to ensure maximum take up.

#### **3.4 Climate Change and Air Quality**

Not applicable

### **3.5 Improving outcomes for children**

Increases available household income so potentially reducing poverty as well as help towards food and fuel costs, and warm clothing.

### **3.6 Other (e.g. Legal/Financial or Human Resources)**

#### **Financial**

3.7 Government will provide initial Grant Funding of £24,670,650 for the Council Tax Rebate Fund. As this is a mandatory scheme, if actual payments exceed the initial funding allocation, Government will top this up. Equally, any unspent allocation will be returned to Government. The Discretionary Fund allocation of £964,800 has to be managed locally within the funding allocation provided. Likewise, any underspend will be returned to Government, but any overspend will need to be met by the Council .

3.8 The Department for Levelling Up, Housing and Communities will undertake a monthly data collection exercise to monitor implementation progress. Council officers will therefore put in place arrangements to support this. This includes monitoring and reporting on expenditure and numbers of benefiting households (both from the Rebate Scheme and Discretionary Fund) at Parliamentary constituency level and local authority level.

3.9 In addition to the Grant Funding, New Burdens funding will be provided to cover administration costs though the value has yet to be determined.

#### **Legal**

3.10 The funding is a one-off contribution. It is to be treated as Local Welfare Provision for the purposes of any other decision though it is not itself a Local Welfare Provision payment.

3.11 It is important to note that any payments made out of this grant fund do not amount to payments made under section 1 of the Localism Act 2011. Ordinarily Local Welfare Provision payments are made under that section and then count as “public funds” for the purposes of immigration and would not therefore be available to those with no recourse to public funds. Payments made here will be made in accordance with the Grant Determination and are subject to the conditions set out by the Secretary of State in that determination.

#### **Human Resources**

3.12 New Burdens funding is being provided to assist with administration of the Council Tax rebate and discretionary fund schemes, and the Council will apply the resources as appropriate to support any additional capacity requirements.

### **4 Consultees and their opinions**

For the most part i.e. the mandatory Council tax rebate scheme, payments are to be made in accordance with the scheme as set out by government and are not subject to consultation. Proposals for the Discretionary scheme as set out in this report, are also within the parameters of Government guidance.

### **5 Next steps and timeline.**

To commence payment activity as soon as is reasonably practicable from April 2022 onwards.

## **6 Officer recommendations and reasons**

Cabinet are asked to note and approve the following:

- 6.1 Note that the Rebate Fund consists of two cohorts and that the work required to make payment to those paying by Direct Debit commence immediately after 01 April 2022, taking into account the requirements of the scheme;
- 6.2 Note that those eligible under the Rebate Fund required to make an application should be given the choice to receive payment or credit to their Council Tax account as appropriate;
- 6.3 approve the officer proposal that where no application has been made by 16th August 2022t, the Council Tax account of the liable party should be credited with £150 as a backstop position, allowable within Government guidance;
- 6.4 note that the Council will seek to maximise the number of applications from those entitled by establishing a publicity and take up campaign that will target them specifically by whatever means are appropriate including working across services and with partner organisations.
- 6.5 approve the officer proposal that the Council adopts the Discretionary Fund eligibility criteria as set out at paragraph 2.14 of this report that Cabinet delegates authority for implementing and monitoring the Discretionary Fund based on the above criteria, to the Strategic Director for Corporate Strategy, Commissioning & Public Health and the Service Director Finance
- 6.6 approve delegated authority to the Strategic Director for Corporate Strategy, Commissioning & Public Health and Service Director Finance, in consultation with the Corporate portfolio-holder, to vary the eligibility criteria for the Discretionary Fund and to make further changes to the scheme as required to achieve the objectives of the Fund within available means.
- 6.7 Note the Government extended Household Support Funding support to Councils for 2022/23, and the Council's anticipated £3.702m share; and
- 6.8 approve delegated authority to the Strategic Director for Corporate Strategy, Commissioning and Public Health and Service Director for Children's Services, in consultation with the Corporate portfolio holder, Learning, Aspiration and Communities portfolio holder, and Service Director-Finance; to direct the Council's newly announced 2022/23 Household Support Fund allocation to appropriate interventions within the range of anticipated eligibility criteria as set out at paragraph 2.18 of this report, through the Local Welfare Provision scheme.

### **Reasons**

1. To enable Cabinet to note and approve the Government Council Tax Rebate, Discretionary Fund scheme and Household Support Funding schemes for eligible Kirklees households from April 2022 onwards.
2. To enable the effective and efficient implementation of the schemes in accordance with Government guidance and the proposed the scheme of delegations to ensure full utilisation of the Government funding to 31 March 2023 or such earlier date as the government may determine and in accordance with any appropriate guidance and grant conditions.



3. To enable the identification and implementation of any additional measures, where required, to complement the approved Discretionary Fund scheme, in accordance with the scheme of delegations.

## **7. Portfolio Holder Comments:**

The Portfolio Holders agree with the proposals as set out in this report.

## **8. Contact officer**

Julian Hobson – Senior Manager, Welfare and Exchequer Services

## **9. Background Papers and History of Decisions**

Billing Authority Guidance

<https://www.gov.uk/government/publications/the-council-tax-rebate-2022-23-billing-authority-guidance>

16<sup>th</sup> February budget papers – page 20 paragraph 2.11.7

<https://democracy.kirklees.gov.uk/documents/s45204/Budget%20Motion%20-%20Feb%202022.pdf>

Spring Statement 2022

[Spring Statement 2022: documents - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/spring-statement-2022)

## **10. Service Director responsible**

Eamonn Croston – Service Director - Finance