

### **Appendix 3 - Energy Grant Scheme (£150 payments)**

On 4 February 2022, the government announced a package of measures, known as the Energy Bills Rebate, to help households with rising energy bills, worth £9.1 billion in 2022-23. The scheme, as presently described by government, includes:

- A £150 non-repayable grant for eligible households in England in council tax bands A – D, 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 £150 Council Tax Rebate, known as the Discretionary Fund.

#### **£150 Council Tax Rebate**

This core scheme pays £150 to every household that meets the following criteria:

- They occupy a property valued in council tax bands A – D on 1 April 2022. This includes property that is valued in band E but has an alternative valuation of band D as a result of the disabled band reduction scheme
- The property is someone's sole or main residence
- The property is a chargeable dwelling, or in exemption classes N (solely for full time students, but not a hall of residence), S (where the liable person is under 18), U (where the liable person is severally mentally impaired), or W (where the liable person is a dependant relative who is over 65 or permanently disabled and living in a separately banded unit within a single property such as a self-contained annexe)

Only one payment of £150 can be made to each eligible household and the scheme is fully funded by the Government. The table below provides a breakdown of the number of properties in each band in the city, along with the numbers of residents who pay by Direct Debit and the numbers in receipt of Council Tax Support.

| Band          | Direct Debit |         |         | No Direct Debit |        |         | Totals  |        |
|---------------|--------------|---------|---------|-----------------|--------|---------|---------|--------|
|               | CTS          | No CTS  | All     | CTS             | No CTS | All     | Total   | %      |
| Band A        | 10,178       | 43,589  | 53,767  | 35,509          | 37,563 | 73,072  | 126,839 | 56.28% |
| Band B        | 1,997        | 21,355  | 23,352  | 3,986           | 11,432 | 15,418  | 38,770  | 17.20% |
| Band C        | 1,119        | 21,471  | 22,590  | 1,810           | 9,324  | 11,134  | 33,724  | 14.96% |
| Band D        | 307          | 10,540  | 10,847  | 482             | 5,353  | 5,835   | 16,682  | 7.40%  |
| Band E        | 89           | 3,782   | 3,871   | 123             | 1,579  | 1,702   | 5,573   | 2.47%  |
| Band F        | 18           | 1,799   | 1,817   | 28              | 863    | 891     | 2,708   | 1.20%  |
| Band G        | 2            | 757     | 759     | 4               | 228    | 232     | 991     | 0.44%  |
| Band H        |              | 49      | 49      |                 | 17     | 17      | 66      | 0.03%  |
| <b>Totals</b> | 13,710       | 103,342 | 117,052 | 41,942          | 66,359 | 108,301 | 225,353 |        |

Nearly 96% of eligible properties in Manchester are in Bands A to D.

### Method of payment

Where the Council holds a live Direct Debit instruction a direct payment is made into the liable person's bank account. A total of 113,073 Direct Debit payments were made in April and early May.

Where there is no Direct Debit instruction in place, the Council has issued a Post Office Voucher to the liable person. By 10 June 2022 a total of 94,968 vouchers had been issued and 40,367 cashed.

Pre-payment checks were undertaken to ensure that the payment details used match the liable person's details.

### The Discretionary Fund

This scheme is designed to help those who are not eligible under the core scheme but may still be facing hardship. This includes 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. The government has clarified that the discretionary fund can be used to make targeted top-up payments to the most vulnerable households in Bands A – D (for example, those on means tested benefits). The Council 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. However, Government has set out the following criteria:

- Funding paid to Councils under the Discretionary Fund is to be passed on directly as grants to households that the billing authority chooses to support
- Payments made under the discretionary scheme do not have to be £150 exactly, the Council may use its discretion.
- Any unspent funding by 30 November 2022 will be required to be repaid to government and in the event of an overspend, no additional funding will be provided.
- Support from the Discretionary Fund does not have to be provided in relation to the position on 1 April 2022, but councils should take all reasonable steps to ensure they are not providing additional support to an individual from a household that has already received a payment under the Council Tax Rebate unless making targeted top-up payments for the most vulnerable households in Bands A – D.

The Council received £1,626,150 in funding for the Discretionary Fund.

### **Delivery of the Discretionary Fund**

The discretionary fund is being used to make awards of £150 to the following groups:

- Vulnerable residents on means tested benefits including -
- Households on CTS in Bands A, B, C, D (and disabled E) with 3 or more children.
- Households on CTS in Bands A,B,C,D (and disabled E) where the claimant/partner aged 80 or over
- Households on CTS in Bands E,F,G or H
- Households in Bands F, G, H where the disabled band reduction applies
- Households registered as SMI in Bands E – H
- Households where the liable person receives a Carer's Discount

| Description of cohort                                | Est. cases | Est. spend |
|--|------------|------------|
| On CTS, in bands A-D, three or more children         | 4,162      | £624,300   |
| On CTS, in bands A-D, claimant or partner 80 or over | 4,110      | £616,500   |
| On CTS in bands E-H                                  | 212        | £31,800    |
| Bands F,G or H with disabled band reduction          | 30         | £4,500     |
| Bands E to H with a carers discount                  | 12         | £1,800     |
| Bands E to H with an SMI exemption                   | 19         | £2,850     |
|  | 8,545      | £1,281,700 |

The Council holds the data to identify these households and is issuing payments by Direct Debit where records are held or otherwise issuing a Post Office Voucher. These payments will be issued in mid to late June.

In addition the Council is administering an online application process with a budget of £340k to offer support to residents who cannot be directly identified through the use of available data.

- Residents in Houses of Multiple Occupation (HMOs) where the landlord is liable for the Council Tax, but the residents are liable for their energy bills.
- New residents in the city who have not received the £150 payment at a previous address, including those moving into their first home in bands A – D where they are in receipt of CTS. It is not possible to accurately estimate how many there will be in this category, but it is not expected to be many.
- Other residents in Bands E to H who make an application and are in receipt of an income-based benefit.
- Students - although halls of residence are specifically excluded, students will qualify if:
  - They have a joint tenancy and are liable for Council Tax (under the main scheme)
  - They live in an HMO but have direct responsibility for energy costs.

### **Administration and New Burdens**

The administration of the scheme will be undertaken by staff from the Revenues and Benefits Unit along with up to ten temporary staff recruited to work within the Customer Service Organisation.

The Council will provide estimates of the new Burden's funding to Government, but this is something that is centrally calculated.