



Department for Levelling Up,
Housing & Communities

Local Taxation Division

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Housing and Communities*
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To: Local Authorities in England

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FOR THE ATTENTION OF THE COUNCIL TAX SECTION

Dear Colleague

Support for energy prices – the council tax rebate

Today, the government has [announced measures to help protect millions of households from rising energy costs](#). This includes a £150 council tax energy rebate. Detailed guidance and funding allocations will be published shortly, but we are writing to you today to give as much early certainty as possible.

The Government will provide funding for billing authorities to give households in England whose primary residence is valued in council tax bands A – D a one-off council tax energy rebate payment of £150. This payment is linked to the council tax system but will not form an adjustment to a person's legal council tax liability.

We will also provide funding for billing authorities to operate a discretionary fund for households in need who would not otherwise be eligible. This could include for example individuals on low incomes who live in properties valued in bands E – H.

We know that you will have been working hard to prepare bills for the coming financial year. The calculation of bills and the presentation of charges will not be impacted, but we will be making regulations as quickly as possible to require the addition of a reference to the scheme on the face of the demand notice and in the accompanying council tax leaflet. The requirements will apply to bills issued in respect of the 2022-23 financial year only.

In tandem, the Government will also lay regulations – well ahead of the 11 March deadline for finalising schemes - to require that council tax energy rebate payments must be disregarded as income for the purposes of calculating eligibility for both working-age and pensioner local council tax support schemes in 2022-23. We will issue a further council tax information letter to confirm when the regulations have been laid.

In accordance with the New Burdens doctrine, billing authorities will be compensated in February for the administrative costs of providing the rebate. We expect to provide funding for the scheme itself in March.

We are extremely grateful for your support in delivering this measure to assist households in your area. Should you have any further queries about any of the matters set out in this letter, please contact the Department at: council.tax@levellingup.gov.uk