



Department for Levelling Up,  
Housing & Communities

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To: Local Authorities in England.

**02/09/2022**

## **FOR THE ATTENTION OF THE COUNCIL TAX SECTION**

Dear Colleague

### **The Council Tax Rebate – Progress update**

The Department is grateful for the continuing hard work and effort that councils are putting into delivering the council tax rebate as quickly as possible, in order to help millions of households with the rising cost of living.

Data derived from the continuing monthly monitoring returns demonstrates that in the first four months of the scheme, £2.5bn was distributed to 16.6m households. This is a tremendous achievement. As we enter the final month of delivery under the core rebate, it is important that local authorities take all reasonable steps to reach eligible households who have yet to receive their rebate payment.

### **Scheme closing dates**

As a reminder, all payments under the core rebate scheme must be made by 30 September and all payments under the discretionary fund must be made by 30 November to be in scope of the reconciliation process.

For both elements of the scheme, any overpayments of grant compared to the value of payments made by the local authority to residents must be repaid to Government. For the core council tax rebate only, local authorities will be compensated for any underpayments of grant compared to the value of payments made by the local authority to residents under the terms set out in paragraphs 10 to 18 of the guidance.

### **Payments**

Where local authorities are still to make payments to eligible households, every effort is expected to be made to reach households in advance of the scheme's end dates to help ensure no one misses out on the support to which they are entitled.

Local authorities have been encouraged to use a range of payment options to enable them to provide support to eligible households in different circumstances.

### **Crediting council tax accounts**

Many local authorities have offered to credit the £150 to eligible households' council tax accounts, alongside the option of a direct payment. This method of payment is available where explicitly requested by the household, or after the household has had a fair opportunity to claim the rebate through alternative payment means.

Where a household has no council tax liability or liability under the value of the rebate payment, local authorities can apply the credit to the account and in doing so, advise the household of the process to claim a refund. It is expected that councils will work as swiftly as possible to action any refunds requested.

For households to feel the benefit of the rebate as soon as possible, it was originally advised (Q. 10 of the published FAQ document) when crediting council tax accounts, local authorities could choose to allocate the rebate to the 2022-23 financial year or any existing arrears. This remains the case. However, in response to a number of queries about the rolling forward of credits and the relationship with future council tax liability, the Department is able to clarify that credits may be rolled forward to future years - provided this is made clear to the affected household. Payments need to be credited to a household's council tax account in advance of the scheme closing dates as outlined above to be included in the reconciliation process.

Local authorities are expected to undertake pre-payment checks prior to the payment of all rebate payments in order to be satisfied that the person receiving the support is entitled to a payment, to keep an audit trail of payments and to ensure payments made are adequately secured against fraud and error.

### **Redeemable vouchers**

Where local authorities have issued redeemable vouchers to households, payments will only be in scope of the reconciliation process where vouchers have been cashed, rather than issued by the scheme end date of 30 September or 30 November for the Discretionary Fund.

### **DELTA Data Monitoring**

Monthly data monitoring submissions from councils through the DELTA system remains an essential component of the scheme. Monitoring and data collection will continue until the overall scheme's lifecycle, including the Discretionary Fund, ends later this year.

### **Assurance and reconciliation**

The Department will commence an assurance and reconciliation exercise with local authorities shortly. This will help to measure the risk of any fraud and error within the scheme and to evidence and calculate the level of spend, write-off and recovery involved in the scheme's delivery. More information about the process and the timings around this will be shared with councils as soon as possible.

### **New Burdens**

The Department will be conducting a wider, more detailed assessment in due course to establish the breadth of reasonable new burdens costs incurred in delivering the scheme, including the Discretionary Fund. The Department remains committed to meeting all reasonable new burdens costs for scheme delivery and will make a further payment to authorities where its assessment of total reasonable costs exceeds the down-payment.

Should you have any queries, please contact the Department at: [council.tax@levellingup.gov.uk](mailto:council.tax@levellingup.gov.uk).

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