

Report To: Policy and Resources Committee

Date: 2 February 2010

Report By: Corporate Director, Environment and
Community Protection/Chief
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Report No: E&CP/P&R/KB/
016

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Subject: Council Tax Rebates for Energy Efficiency Scheme

1. PURPOSE

- 1.1 The purpose of this report is to advise Committee of the requirement placed on the Council by the Climate Change (Scotland) Act 2009 to establish a Council Tax Rebate Scheme based on energy efficiency.

2. SUMMARY

- 2.1 The overall aim of the Climate Change (Scotland) Act 2009 is to reduce greenhouse gas emissions by at least 80% by 2050.
- 2.2 The Act requires local authorities 'to establish a scheme for reducing the amounts which persons are liable to pay in respect of Council Tax where qualifying improvements are made to the energy efficiency of chargeable dwellings'.
- 2.3 The minimum Council Tax reduction under an energy efficiency scheme is £50. Each rebate is a one off and should be given in the year that the work is carried out.
- 2.4 The Scheme will be delivered by one or more energy companies and should be in place by 1 April 2010. The energy company will reimburse the cost of the Council Tax refund to the Council, together with a small supplement in lieu of any administrative costs.
- 2.5 The Council is responsible for promoting the Scheme.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Committee:
- a. approves the proposal outlined in 5.1 to address the requirement for a Council Tax Rebates for Energy Efficiency Scheme with effect from 1 April 2010;
 - b. delegates authority to Officers to appoint an energy supplier to facilitate a scheme in Inverclyde for 2010/11; and
 - c. agrees to the inclusion of narrative within the Council Tax Leaflet 2010/11 to encourage participation in the Scheme.

4. BACKGROUND

- 4.1 The Climate Change (Scotland) Act 2009 requires local authorities to establish a Council Tax rebate scheme based on energy efficiency. Such schemes must include provision to reduce the amounts which persons are liable to pay in respect of Council Tax where qualifying improvements are made to the energy efficiency of chargeable dwellings.
- 4.2 COSLA issued a guidance note in December 2009 entitled 'Council Tax Rebates for Energy Efficiency Core Scheme'. The Core Scheme is designed around delivery of relevant energy efficiency works by one or more energy companies.
- 4.3 While local authorities can devise a scheme to suit local needs, COSLA suggested that the key components of a Core Scheme are:
- each local authority would have a relationship with a single energy supplier;
 - implementation of the Scheme would contribute to councils' existing climate change work;
 - the Scheme's focus is on a limited range of effective interventions that can be topped up at councils' discretion;
 - the Scheme is open to any householder/Council Tax payer who wishes to undertake home energy improvements included within the provisions of their Council's scheme; and
 - Council Tax Notices should include information on the Scheme.
- 4.4 The Act states that the minimum Council Tax reduction under the Scheme is £50 per home per year. The refund should be made within the Council Tax year in which the work is certified.

5. HOW THE SCHEME WILL WORK IN INVERCLYDE

- 5.1 It is proposed that the local Scheme will operate as follows:
- a. The Scheme will be promoted via a Council education and awareness-raising campaign which will include dual badging with the energy company.
 - b. Householders will contact the energy company which will handle all calls.
 - c. The energy company carries out the initial screening, survey and installations.
 - d. Insulation will be installed by qualified installers contracted to the energy company and paid for by the householder. However, the energy company may be able to help householders by providing funding or competitive prices for proposed works.
 - e. It is proposed that, in the first year of the local Scheme, energy efficiency measures will be restricted to cavity wall insulation and loft insulation only.
 - f. The energy company will provide the Council with certification that the job has been completed, together with an analysis of work done in the Inverclyde area.
 - g. The Council will apply a £50 discount on the customer's Council Tax account and issue an amended Council Tax bill or, if the Council Tax has been fully paid, a refund.
 - h. The Council will bill the energy company for the discount and any pre-arranged management fee.
 - i. The energy company pays the Council from Carbon Emissions Reduction Target funding they have available.
- 5.2 A Service Level Agreement on the Scheme's operation will be drawn up between the Council and the energy supplier.

6. PARTNERSHIP WITH AN ENERGY SUPPLIER

- 6.1 One of the energy suppliers has developed and operated a Council Tax rebate scheme

in England and its figures suggest a 25% uptake of the Scheme could be expected. However, local factors such as the tenure of houses will have an impact on the participation rate in Inverclyde.

- 6.2 The same energy company has expressed an interest in extending its scheme to Scottish Councils. Whilst it would initially appear that there is currently no other energy supplier that has a scheme operating in Scotland, Officers are in discussion with two suppliers to explore their capacity to facilitate a scheme in Inverclyde.

7. PROMOTION OF THE SCHEME

- 7.1 It is proposed to include details of the Scheme in the Council's 39,000 Council Tax Bills to be issued on 6 March 2010.
- 7.2 Further publicity opportunities will take place during 2010/11 and it is suggested that the Scheme is branded under the Council's 'Green Charter' initiative.

8. REPORTING PROGRESS ON THE SCHEME

- 8.1 While reporting arrangements have still to be finalised, the Scottish Government is committed to reporting progress on the Scheme to the Scottish Parliament as soon as practicable after March 2012 and on an annual basis thereafter.
- 8.2 COSLA has suggested that Councils include local Scheme updates in their annual reports on Scotland's Climate Change Declaration, the next of which is due in autumn 2010.

9. IMPLICATIONS

- 9.1 Financial – no net financial implications are expected as the energy company will reimburse the cost of the Council Tax refund, together with a small supplement in lieu of the authority's administrative costs. There could however be costs relating to promotion of the Scheme.
- 9.2 There are no implications of a legal, personnel or equalities nature through the implementation of this Scheme.