

Report

Report to:	Finance and Information Technology Resources Committee (Special)
Date of Meeting:	11 February 2010
Report by:	Executive Director (Finance and Information Technology Resources)

Subject:	Council Tax Energy Efficiency Scheme
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information to Committee on the requirements on the Council in respect of the Council Tax Energy Efficiency Scheme
- ◆ outline to the Committee a proposal to fulfil those requirements.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the contents of the report be noted
- (2) that the Council accepts the offer from Scottish Gas to work in partnership in the provision of a Council Tax Energy Efficiency Scheme from 1 April 2010
- (3) that no referral fee be taken by the Council in the operation of the scheme with Scottish Gas and that the full discount of £75 be passed to South Lanarkshire Council Tax payers.

3. Background

3.1. The Climate Change (Scotland) Act 2009 aims to reduce greenhouse gas emissions in Scotland. From 1 April 2010, the Council must establish a scheme for reducing the Council Tax payable on houses where there have been energy efficiency improvements. "Energy efficiency" includes the use of:-

- ◆ Technologies reliant on sources of energy other than fossil fuel and nuclear fuel;
- ◆ Materials the manufacture or use of which produce or involve lower emissions of greenhouse gases than other materials; and
- ◆ Surplus heat from electricity generation or other industrial sources for district heating or other purposes.

3.2. Where householders carry out an approved scheme of works, they are eligible for a discount on the Council Tax payable on their property. The discount on Council Tax can be up to £75.

- 3.3. This discount is refunded to the Council by the company running the approved scheme. The implementation of the Council Tax discount scheme should be cost neutral to both local and central government. Energy companies have monies (through Carbon Emissions Reduction Targets schemes) to encourage better, more efficient use of energy. This can be used to underwrite the costs of the discount schemes. Through this route, an energy company running an approved scheme in partnership with the Council reimburses the Council for discounts awarded under the scheme.

4. Approved Schemes of Works

- 4.1. At this stage, only one energy supplier in Scotland (Scottish Gas) has offered to work in partnership with councils. In effect, this means that, at present there is only one approved supplier of energy efficient measures for the purposes of a Council Tax discount. However, there is nothing to prevent other energy suppliers choosing to work in partnership with councils.
- 4.2. The Scottish Government has been working to encourage other suppliers to enter the scheme and communication from the Scottish Government indicates that, while it remains confident that, in time, this will happen, it is unlikely to happen by 1 April 2010.

5. Proposal to Inform Householders about Scottish Gas scheme

- 5.1. It is, therefore, proposed that the Council accept an offer from Scottish Gas to work in partnership on the operation of a Council Tax Energy Efficiency Scheme. This would be communicated to householders through a leaflet to be distributed along with the Council Tax bill. A copy of the draft leaflet is attached as Appendix 1.
- 5.2. The leaflet states that improvement work must be carried out under an approved scheme and that such a scheme is provided at present by Scottish Gas. The leaflet also makes clear that other suppliers may provide schemes at a later date. As other schemes become available to South Lanarkshire Council Tax payers, these would be publicised through the Council website, after notification to Committee. Council Tax payers are directed by the leaflet to a Scottish Gas telephone number and web address for further details of the scheme. Any contract for services will be between Scottish Gas and the householder and will not involve the Council.

6. Amount of Discount to be Passed to Householders

- 6.1 Under the terms of the approved scheme offered by Scottish Gas, the Council would be reimbursed up to £75.00 per household for up to 2 installed measures, as long as the customer pays for the measure to be carried out.

The Council can choose to take a referral fee out of the £75.00 of up to £15.00 leaving the customer with a rebate of £60.00. Given that there are no additional operating costs for the Council of this scheme, it is not proposed that the Council take any referral fee. The full discount of up to £75 would, therefore, be passed to the Council Tax Payer

7. Employee Implications

- 7.1. None

8. Financial Implications

- 8.1. The implementation of the Council Tax discount scheme will be cost neutral to the Council. Any publicity costs, for example the costs of production of the leaflet, will be funded from within existing budgets for Council Tax billing.

9. Other Implications

9.1. Nil

10. Equality Impact Assessment and Consultation Arrangements

10.1 There is no requirement to carry out an equality impact assessment in terms of the proposals contained within this report.

9.2. There is no requirement to carry out any consultation with regard to the content of the report.

Linda Hardie

Executive Director (Finance and Information Technology Resources)

4 February 2010

Link(s) to Council Values and Objectives

♦ Value: Accountable, effective and efficient

Previous References

None

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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