

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Executive Director of Corporate Services

Corporate and Efficient Governance Committee : 27 January 2010

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**Subject: Council Tax Rebates for Energy Efficiency**

### **1. Purpose**

**1.1** This report seeks Committee approval to introduce a scheme of council tax rebates for energy efficiency.

### **2. Background**

**2.1** Section 65 of the Climate Change (Scotland) Act 2009 requires local authorities to establish a council tax rebate scheme based on energy efficiency.

**2.2** The Act requires all councils to put in place a scheme that offers a council tax rebate of at least £50 to any council taxpayer that makes energy efficiency improvements to their property.

### **3. Main Issues**

**3.1** The Council has approximately 44,260 properties. The Scottish Government have given no assurances about how the scheme is to be funded.

**3.2** At present within Scotland there is only one scheme currently in operation, through Scottish Gas, that meets the requirements of the Act. The basics of the proposal are:

- The Council advertises the energy efficiency scheme in council tax bills and literature.
- The eligible energy efficiency works offered through the scheme are loft insulation and cavity wall insulation.
- Only new energy efficiency works as approved by Scottish Gas will qualify for the scheme. No retrospective applications can be made.
- At present, the net contribution towards the costs of these works by the council taxpayer would be £274.00 and £250.00 respectively. These costs are standard for all property types up to and including 3 bed roomed detached properties. A higher contribution from the council taxpayer may apply for 4 bed roomed and larger detached properties.
- Any council taxpayer who wishes to consider energy efficiency improvements contacts Scottish Gas.
- If the work proceeds, Scottish Gas contact the Council to process the council tax rebate.

- Scottish Gas refunds the Council the cost of the rebate plus an administration fee from their Carbon Emissions Reduction Target funding.
- The additional administrative processes undertaken by the Council would be funded from the fee chargeable to Scottish Gas. At present the administration fee is up to £15 per property. On the basis of an estimated uptake of 2,000 properties over a 3 year period, this could generate £30,000 of income to the Council.

**3.3** If the council taxpayer is on eligible benefit or aged 70 or over, Scottish Gas will carry out the work free of charge and no council tax rebate will be payable.

**3.4** The alternative to the Scottish Gas is for the Council to design, implement and fund its own scheme. There is no funding in place within the Council to subsidise a council tax rebate scheme for all council taxpayers and as the Scottish Gas scheme will provide a fully funded option to the Council it would be difficult to build up a business case for an alternative solution. However, it will be necessary to continue to monitor this position so as to ensure that the Council meets its Best Value requirements in terms of the procurement.

#### **4. Personnel Issues**

**4.1** There are no personnel issues

#### **5. Financial Implications**

**5.1** If all 44,260 properties qualified for a council tax rebate, the value of council tax rebates would exceed £2.2m. The scheme as proposed by Scottish Gas removes the burden of financing council tax rebates from the Council.

#### **6. Risk Analysis**

**6.1** The Council requires to introduce a council tax rebate scheme for energy efficiency projects by April 2010. The scheme as proposed by Scottish Gas will enable the Council to meet this statutory requirement. There is also the risk that going directly to Scottish Gas to implement the council tax rebate scheme may not be compatible with Best Value procurement processes. The market place for scheme providers will continue to be monitored to ensure that the Council meets these procurement obligations.

#### **7. Conclusions and Officers' Recommendations**

**7.1** Section 65 of the Climate Change (Scotland) Act 2009 requires local authorities to establish a council tax rebate scheme based on energy efficiency. The scheme as proposed by Scottish Gas will enable the Council to meet this statutory requirement. Committee is asked to agree to the introduction of the Council Tax Energy Efficiency Scheme as operated by Scottish Gas as from April 2010. Officers will report back in October 2010 on the implementation of the scheme.

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**Joyce White**  
**Executive Director of Corporate Services**  
**Date: 11 January 2010**

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**Person to contact:** Vincent Gardiner, Exchequer Manager  
Telephone 01389 737192  
Email: Vincent.gardiner@west-dunbarton.co.uk.

**Appendices** None

**Background Papers:** None

**Wards affected:** All Council wards