

Report to the Cabinet

Report reference: C-043-2015/16
Date of meeting: 5 November 2015



Portfolio: Finance
Subject: Council Tax and Housing Benefit Civil Penalty Policy
Responsible Officers: Janet Twinn (01992 564215).
Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) To approve the Policy for the introduction of Council Tax and Housing Benefit civil penalties.

Executive Summary:

Legislation exists to enable the Authority to impose a civil penalty for instances where a person has either falsely given information, or failed to report a change in their circumstances, which has resulted in either a Council Tax discount or exemption being granted, or Housing Benefit being paid, when there was no entitlement. The Authority can impose a civil penalty of £70 for Council Tax discounts and exemptions, and a £50 civil penalty for Housing Benefit. The Authority has not previously imposed such penalties but there are benefits to be gained from introducing them.

Reasons for Proposed Decision:

The introduction of the Civil Penalties will act as a deterrent to people who may be incorrectly claiming a Council Tax discount or exemption, or an increased payment of Housing Benefit. It will help to ensure that the Taxbase is accurate as well as provide an additional income stream to the Authority.

Other Options for Action:

Cabinet could decide not to impose Council Tax and Housing Benefit civil penalties.

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1. The Local Government Finance Act 1992 allows for civil penalties to be imposed for failing to give accurate information or for failing to advise of a change in circumstances in relation to any Council Tax discount or exemption. The Social Security Administration Act 1992 allows for similar civil penalties to be imposed in relation to Housing Benefit.

2. Council Tax fraud is an area of concern nationally. Whilst the Council regularly reviews discounts awarded there is currently no disincentive for people not to notify a change in circumstances or provide false information. A civil penalty will address this. It is hoped that with suitable publicity, people will realise the importance of giving accurate information to the Authority in a prompt manner. In addition, dependant on the circumstances the individual

could be subject to fraud proceedings as outlined in the policy

3. The civil penalty for Council Tax purposes is £70 and will be applied to the Council Tax account for collection via the normal billing process. Where a £70 penalty has been imposed and a person still fails to provide information, a further £280 penalty can be imposed for each subsequent failure. The civil penalty for Housing Benefit purposes is £50 for each offence and will be collected either by deducting the penalty from ongoing Housing Benefit entitlement, or by sundry debtor. Before imposing a civil penalty, consideration will be given as to whether a person is considered to be vulnerable and therefore whether a civil penalty is appropriate. There is the right of appeal against the imposition of a civil penalty.

4. The introduction of the civil penalties should hopefully encourage people to ensure that they pay the correct amount of Council Tax, but it will also bring an additional income stream to the Authority. The amount of additional income will depend upon how many civil penalties are imposed and how many of them are collected. However, the main driver behind the policy is to provide an incentive for people to provide accurate and timely information.

5. The proposed policy document is shown in Appendix A which gives more detail about the application of the civil penalties and the appeal rights. Once adopted, appropriate publicity will be issued to advise the public of the policy and the penalties that can be imposed.

Resource Implications:

There are no resource implications other than potential future income.

Legal and Governance Implications:

The imposition of civil penalties is already provided for within legislation.

Safer, Cleaner and Greener Implications:

There are no Safer, Cleaner and Greener implications.

Consultation Undertaken:

No consultation has been undertaken.

Background Papers:

Policy attached as Appendix A.

Risk Management:

There is a risk that the civil penalty would not be collected.

Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

Council Tax and Housing Benefit Civil Penalty Policy

Background:

Legislation already exists to allow Local Authorities to impose civil penalties where a person either delays in providing information, or gives false information in order to decrease their liability for Council Tax or to increase their entitlement to Housing Benefit.

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The majority of Council Tax payers do provide accurate information in a timely manner, but there are a minority who will seek to gain financially by providing inaccurate or late information. There are no specific groups of people who will be affected and a civil penalty could be applied to anyone who is a Council Tax payer and/or a tenant in receipt of Housing Benefit. However, a civil penalty will only be imposed in cases where a person has deliberately sought to deceive the Council for their own financial gain.

The decision to impose a civil penalty is discretionary and the circumstances of each case where a civil penalty is being considered will be evaluated first. A civil penalty will not be imposed when a person is deemed to be vulnerable or there are other circumstances which leads the Council to believe that a civil penalty is not appropriate.