

**Committee:** Cabinet

**Agenda Item**

**Date:** 23 July 2015

**10**

**Title:** Council tax and Housing Benefit Civil Penalties Policy

**Portfolio Holder:** Councillor Howell  
Cabinet Member for Finance and Administration

Item for decision

## Summary

1. This report requests Cabinet approval to implement a Council Tax and Housing Benefit Civil Penalties Policy for those customers who fail to advise the Council of a change in circumstance which affects a discount, benefit or exemption or who fail to respond to a request for information relating to those allowances.

## Recommendations

2. The Cabinet is recommended to approve the introduction of the Council Tax and Housing Benefit Civil Penalties Policy as set out in Appendix One.

## Financial Implications

3. Any income generated will be used to offset the cost of administering the scheme.

## Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

## Impact

Communication/Consultation	Proposals to be subject to publicity through local papers to advise customers of new policy and the implications. All Council Tax bills, Housing Benefit letters and the Revenues/Benefit website already advise customers of the potential to receive a penalty in certain circumstances
Community Safety	None
Equalities	Customers with mitigating personal/family

	circumstances will be excluded from receiving a penalty
Health and Safety	None
Human Rights/Legal Implications	Compliance with relevant legislation
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

### **Council Tax and Housing Benefit Penalty Policy**

5. The civil penalty legislation has been available to UDC under Council Tax legislation since 1993 and more recently in LCTS and Housing Benefit since 2012 and 2013 respectively. However the policy has not been actively pursued in this Authority until now.
6. A significant amount of officer time and therefore cost is currently taken up on chasing information which the council should have been notified of by the occupier or claimant. It is anticipated that by introducing this policy it will lead to prompt notification of changes in circumstances. It is not intended to be an additional source of income generation.
7. The proposal is that UDC introduces a penalty policy in accordance with the legislation and commences charging the appropriate penalty in the following circumstances
  - Where fraud proceedings are not applicable, and no caution or Administrative penalty has been applied.
  - After a grace period of one calendar month has elapsed.
  - There has been a resulting overpayment of more than £100
  - There are no mitigating personal/family circumstances such as death or illness.
8. The penalty will be collected direct from either the Council Tax account or in the case of Housing Benefit deduction will be made from ongoing benefit or via an invoice raised through Sundry Debtors
9. The customer does have the right of appeal in the case of Council Tax/LCTS via the Valuation Tribunal or for Housing Benefit through the reconsideration process or the Tribunal Service.

10. This policy will support the compliance and counter fraud work being carried out in partnership with ECC, FA, PCC and other District Councils across Essex and will ensure that where there is abuse of the system and customer's claim a reduction in Council Tax or help with their rent for a period to which they are not entitled, a penalty is applied (cases where a fraud investigation is not applicable). This will protect the Council Tax base and the public purse which will provide more funding for essential services.

**Risk Analysis**

Risk	Likelihood	Impact	Mitigating actions
Complaints from customers	2(the proposals are felt to be reasonable, but people adversely affected may object to them)	2 Increase customer complaints	All Council Tax bills, Housing Benefit letters and the Revenues/Benefit website already advise customers of the potential to receive a penalty in certain circumstances  This policy will be well advertised before coming into force
Higher appeals	1 Customers may appeal penalty notice	1 More Manager resource in dealing with complaints	Explicit policy detailing when penalty will be applied  Manager level decision  Reports from other Essex LA show very low or no response from application of penalties
Collection of penalty	1 Resistance in payment	1 resulting in higher levels of recovery action	The penalty will in the case of Council Tax be collected in instalments with the Council Tax liability and in Housing Benefit from deductions from ongoing benefit.  No significant increase in resources will therefore be necessary

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.