

Subject:	Council Tax and Council Tax Support Penalty and Prosecution Policy	Status:	For Publication
Report to:	Overview and Scrutiny Council	Date:	13 th November 2017 13 th December 2017
Report of:	Fraud & Compliance Officer	Portfolio Holder:	Resources and Customer Services
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: N/A
Biodiversity Impact Assessment	Required:	No	Attached: N/A
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1.	RECOMMENDATION(S)
1.1	That Overview and Scrutiny recommend Full Council to approve the Council Tax and Council Tax Support Penalty and Prosecution Policy.
1.2	All future minor amendments to the policy to be delegated to the Head of Customer Services and ICT in consultation with the Portfolio Holder.

2. PURPOSE OF REPORT

- 2.1 To review and seek approval of the continued use of the Council Tax and Council Tax Support Penalty and Prosecution Policy following the Extraordinary Council meeting on 18th September 2017 .

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **A clean and green Rossendale:** our priority is to keep Rossendale clean and green for all of Rossendale's residents and visitors, and to take available opportunities to recycle and use energy from renewable sources more efficiently.
 - **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
 - **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1
- Failure to approve this policy could result in a continual increase in incorrectly billed properties, falsely claimed discounts and exemptions, and Council Tax Support fraud cases.
- 4.1
- Failure to approve this policy would also leave the Council with no deterrent for false claims.

5. BACKGROUND

- 5.1 The Council Tax and Council Tax Support Penalty and Prosecution Policy was created to aid the Council in its battle against fraud and error.

- 5.2 The Policy was taken to Overview and Scrutiny on 1st February 2016 where it was discussed and resolved.
- 5.3 The minutes from the meeting can be found below and confirm the outcome:
- 5.4 *'1. That the Overview and Scrutiny Committee recommend to Cabinet to approve the Council Tax and Council Tax Support Sanction and Prosecution Policy
2. All future minor amendments to the policy be delegated to the Head of Customer Services and ICT in consultation with the Portfolio Holder.'*
- 5.5 The Policy was then taken to Cabinet on 9th March 2016.
- 5.6 The policy was approved. The reason for the decision can be found below:
- 5.7 *'To assist in deterring fraudulent or incorrectly claimed council tax support'*
- 5.8 As a result of the Extraordinary Council meeting held on Monday 18th September 2017, a review of this policy has been requested.
- 5.9 Previously the Department for Work and Pensions had a cut-off point of £2000.00 to decide who would investigate the cases. I.e. if the overpayment was over £2000.00 or there was evidence of fraud it would be investigated by the fraud department, if the overpayment was under £2000.00, but there was evidence of fraud it would be the Compliance team.
- 5.10 Due to a change in DWP policy, as of the 14th August 2017, this figure has changed to £3000.00. This is reflected in our policy at 4.1 and 4.2.
- 5.11 The word overpayment has been replaced with the word 'overpaid' as Council Tax Support is a discount and therefore there cannot be any overpayments.
- 5.12 The layman still associates a claim which incurs excess Council Tax Support as an overpayment, in the interest of keeping the policy simple and easy to understand by all, I have used quotation marks and the word overpaid instead.
- 5.13 An example where this has been changed can be found at 5.6 where the policy now reads *'the amount of the 'overpaid' Council Tax Support.'* instead of *'the amount of the overpayment.'*
- 5.14 At 6.1 the amount of the 'overpaid' Council Tax Support required for a caution has been removed. This has been done to give more freedom for the use of discretion when dealing with cases.
- 5.15 The change made to remove the £2000.00 limit is advantageous as it allows cautions to be given if, for example, a claimant who has been investigated has a large amount of debt and no means to repay a financial penalty. The Council will not look to impose further debt on an already struggling resident of our Borough, or put them into further hardship.
- 5.16 A process map has been included in the policy to further breakdown how a case is dealt with from investigation right through to what action is taken.
- 5.17 At 7. 'Civil penalty recovery' has been included to explain how the monies will be retrieved.

- 5.18 To add clarity in respect of financial penalties as an alternative to prosecution where a financial penalty has been issued and accepted by the claimant, under the right circumstances, a payment plan can be agreed upon for repayment of the penalty. If the claimant is unable to repay in full, this doesn't mean the case will be taken to prosecution instead.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 Financial implications are noted in the report above. Implementation of the policy will be a positive contribution to the Council's Medium Term Financial Strategy.

7. MONITORING OFFICER

- 7.1 The Council is required to publish a clear policy as part of its strategy for tackling fraud and corruption. It is needed to vigorously pursue fraudsters and deter others. This policy provides consistency with the policy of the DwP in deciding what action to take following investigation. All other implications are set out in the body of this report. The policy will need to be reviewed in light of any legislative changes and be kept up to date.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 In the compilation of this Policy consultation has been carried out with the Head of Customer Services and ICT, the Service Assurance team leader and also the Legal Services Manager. A review of the initial Equality Impact Assessment has been carried out and there are no changes which could have an adverse effect on any of the affected groups.

9. CONCLUSION

- 9.1 The policy will help deter residents of Rossendale from fraudulently, or incorrectly claiming Council Tax Support and from committing acts of Corporate Fraud and thus protect the public purse. The proposed changes to the policy will further aid us in carrying out this work.

No background papers