

REPORT TO Executive and Council
Date of Meeting: 26 January 2016 and 23 February 2016
Report of: Assistant Director Customer Access
Title: Council Tax Penalty Policy

Is this a Key Decision?

No

Is this an Executive or Council Function? Council

1. What is the report about?

This report seeks member's approval for a Council Tax Penalty Policy that allows the Council to impose financial penalties, under legislation, where a person fails to supply information or provides false information in respect of Council Tax discounts, exemptions and liability.

2. Recommendations:

Executive is requested to recommend the Policy to Council for approval.

3. Reasons for the recommendation:

Members have a duty to the citizens of Exeter to protect Council assets from all forms of abuse. Adopting this policy supports the Council's Counter Fraud Strategy and zero tolerance to fraud. The aim of this policy is to give clear guidance to our customers regarding their responsibility to provide accurate and timely information and to deter anyone from giving false information or failing to disclose changes in circumstance that affects a liability, a discount or an exemption. While protecting Council Tax revenue, the policy will help create a culture of responsibility to report changes on time.

4. What are the resource implications including non financial resources.

Impact on resources will be minimal as in most cases; the penalty is added to the Council Tax account and is collected first before any council tax due. Staff resources will be needed for initial publicity and to answer any enquiries regarding why a penalty has been applied.

5. Section 151 Officer comments:

The Section 151 Officer supports the introduction of penalties as a way of ensuring that all Council taxpayers are treated fairly.

6. What are the legal aspects?

A billing authority has the power under the Local Government Finance Act 1992 (as amended) and The Council Tax (Administration and Enforcement) Regulations 1992, to impose penalties for the failure to supply or knowingly give false information in relation to Council Tax exemptions, discounts and liability.

7. Monitoring Officer's comments:

This report raises no issues of concern for the Monitoring Officer.

8. Report details:

- 8.1 Currently Exeter City Council does not enforce penalties although it has the power to do so.
- 8.2 The Devon Benefit Officers Group (DBOG) including Devon County Council, Devon & Somerset Fire Authority and Devon & Cornwall Police have been working towards protecting Devon's purse through avoiding error and fraud entering Council systems. The DBOG report submitted to Chief Finance Officers on 21 October 2015 suggested adopting and publicising a common penalties policy. This ECC policy is the first step, with member's approval, towards meeting this target.
- 8.3 The Council Tax Penalty Policy will be administered in the Local Taxation Team. All Council Tax bills and relevant correspondence will clearly state the Council's ability to apply a penalty and the circumstances when this can happen.
- 8.4 When a review of any discounts or exemptions is undertaken by the Council, either on an individual or targeted basis, this policy will help to re-enforce the importance of correct, timely and accurate information being disclosed. It is only fair that discounts and exemptions are given to those who have a genuine entitlement and are removed from those who do not qualify.
- 8.5 Assuming approval of this policy is agreed, the first penalties will be applied where appropriate as part of the Council's planned review of Single Occupier Discounts.
- 8.6 The Council currently awards 18,208 single occupier discounts. The review is being carried out on behalf of the Council by Capita who have advised that they expect 7% are being incorrectly or fraudulently claimed.
- 8.7 Revenue raised from imposing penalties is kept in full by Exeter City Council.

9. How does the decision contribute to the Council's Corporate Plan?

This policy supports Exeter's communities and neighbourhoods in the broad sense of protecting Council Tax revenue, not only for Exeter City Council, but for Devon County Council, Devon and Somerset Fire and Rescue and Devon and Cornwall's Police and Crime Commissioner. These organisations collectively provide vital services to the residents and communities of Exeter, by keeping the Council Tax base secure and accurate, precepts will be maximised. This will support one of the five key strands to the Council's strategy of reducing operating costs by changing customer behaviour by a well publicised intention and policy, in time minimising staff time and intervention to keep the Council Tax base accurate.

10. What risks are there and how can they be reduced?

The risks of adopting this policy are minimal. There may be challenges to the imposition of penalties, however a right of appeal to an independent Valuation Tribunal exists. Staff will be fully trained in the administration of this policy to ensure fairness and consistency.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

An Equality Impact Assessment is attached.

12. Are there any other options?

The Council can choose not to adopt this policy.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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