



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	7 FEBRUARY 2019
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	INCORPORATION OF COUNCIL TAX PENALTIES INTO FEES & CHARGES POLICY
WARDS AFFECTED:	ALL WARDS

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To submit for members' consideration inclusion of Council Tax Penalties within existing fees and charges policy.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended to incorporate into current fees and charges policy the inclusion of Council Tax Penalties, which can be imposed in accordance with Local Government Finance Act 1992.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The use of penalties has always existed within the Council Tax legislation since it was introduced in April 1993. Ryedale District Council has however, not utilised the system when administering the tax. Fraudulent claims for discounts and exemptions increase the cost of the overall scheme and impact on the ability of the local authority to ensure that every charge payer's liability is kept to a minimum. It is therefore proposed that from 1 April 2019 Ryedale District Council commence use of this legislation and impose penalties where there has been a clear attempt to obtain an exemption or discount to which the charge payer is not entitled.
- 3.2 The main drive for using penalties is to encourage tax payers to report changes in circumstance and appreciate the financial impact not doing so has on the council's ability to provide services.

4.0 SIGNIFICANT RISKS

- 4.1 Without applying penalties, there is no deterrent on those who neglect to notify changes in circumstance that result in an increase in tax liability.
- 4.2 Having no deterrent increases the risk of tax payers failing to notify of changes in a timely manner. This can lead to reductions being cancelled retrospectively and result

in hardship. Administration is also significantly increased when dealing with retrospective amendments and collection.

REPORT

5.0 REPORT DETAILS

5.1 Penalties can be imposed in the following circumstances;

Failure to supply information to or notify a billing authority

Where a person is requested by a billing authority to supply information under any provision included in regulations the authority may impose a penalty on him if—

- he fails to supply the information in accordance with the provision; or
- in purported compliance with the provision he knowingly supplies information which is inaccurate in a material particular.

In any case where—

- a person is required by any provision included in regulations to notify a billing authority; and
- he fails without reasonable excuse to notify the authority in accordance with the provision,

A penalty may be imposed where a tax payer has;

- failed to provide information in relation to liability after being requested to do so in writing and 21 days have passed since the request;
- failed to inform the billing authority within 21 days where a discount should no longer be granted;
- failed to inform the billing authority within 21 days where an exemption should no longer be granted;

A penalty under this paragraph shall be paid to the authority imposing it.

An authority may quash a penalty imposed by it under this paragraph.

5.2 Currently the level set is £70.00 per offence and £280.00 for a subsequent offence

5.3 A person may appeal to a valuation tribunal if he is aggrieved by the imposition on him of a penalty.

- Where a penalty is imposed on a person and he alleges that there is no power in the case concerned to impose a penalty of the amount imposed, he may appeal above against the imposition.
- Where a person is convicted of an offence, the conduct by reason of which he is convicted shall not also allow a penalty to be imposed.
- Where the imposition of a penalty is subject to an appeal, no amount shall be payable in respect of the penalty while the appeal is outstanding.

5.4 The regulations include provision for the collection of such amounts either a separate payment or together with Council Tax instalments.

6.0 IMPLICATIONS

6.1 The following implications have been identified:

- a) Financial – as set out above
- b) Legal – none
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)

Anton Hodge
Section 151 Officer

Author: **Alan McCarten, Senior Revenues Officer**
Telephone No: 01723 232374
E-Mail Address: alan.mccarten@scarborough.gov.uk