

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	30 August 2017
<b>Subject:</b>	Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy
<b>Report of:</b>	Simon Dix, Head of Finance and Asset Management
<b>Corporate Lead:</b>	Rob Weaver, Deputy Chief Executive
<b>Lead Member:</b>	Lead Member for Finance and Asset Management
<b>Number of Appendices:</b>	One

## **Executive Summary:**

Council approved the Authority's participation in the establishment of a permanent Counter Fraud Unit (CFU) on 24 January 2017. Following subsequent decisions at other partner Council's, the Counter Fraud Unit is a permanent support service from 1 April 2017 serving the partner Councils across the region including Tewkesbury Borough Council.

A major part of the CFU's work programme for the year is to review all related policies across the partner Councils and coordinate updated policies, ensuring consistency, for those Councils. Both the Council's Whistleblowing and Counter Fraud Policies have already been updated on this basis.

The draft Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy was considered by Audit Committee on 19 July and was positively received. Comments made by Members at Committee are included within the main body of the report with the overriding consensus being a positive recommendation to the Executive Committee to approve the policy.

## **Recommendations:**

**To APPROVE the Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy.**

## **Reasons for Recommendation:**

To update, refresh and collate the existing Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policies on behalf of the Revenues and Benefits Teams. The Policy will assist with decision-making in the application of appropriate sanctions and provide a uniform basis for action across the County.

## **Resource Implications:**

None directly arising from the report

**Legal Implications:**

This Policy is governed by legislation and Department for Work and Pensions (DWP) guidance including the Local Government Act 1972, the Local Government Finance Act 1992, Welfare Reform Act 2012, Police and Criminal Evidence Act 1984, Social Security Administration Act 1992 and the Council Tax Reduction Scheme (Detection of Fraud and Enforcement) (England) Regulations 2013.

**Risk Management Implications:**

If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

The Council requires a Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy to ensure legislative powers and regulations are applied fairly and in accordance with the law.

**Performance Management Follow-up:**

The Counter Fraud Unit will assist the Revenues and Benefits Department in the procedural application of the policy where necessary.

**Environmental Implications:**

Not applicable.

**1.0 INTRODUCTION AND BACKGROUND**

- 1.1** Following the successful Department for Communities and Local Government (DCLG) bid to fund the set-up of a Gloucestershirewide Counter Fraud Unit, the team undertook feasibility work (both strategic and operational) on behalf of a number of Gloucestershire Authorities, West Oxfordshire District Council and Cheltenham Borough Homes.
- 1.2** A business case was presented across the partner authorities to reflect the financial sustainability of creating a permanent Counter Fraud Unit. Council approved the Authority's participation in the establishment of a permanent Counter Fraud Unit on 24 January 2017. Following subsequent decisions at other partner Councils, the Counter Fraud Unit is now a permanent support service from 1 April 2017 serving the partner Councils across the region including Tewkesbury Borough Council.
- 1.3** The work plan for 2017/2018 has been agreed and focuses on the development of consistent policies across the membership and the promotion of fraud awareness amongst Officers and Members. The policy development work follows on from the approval of new policies on Whistleblowing and Counter Fraud which took place during the pilot period and were approved at Executive in the Autumn of 2016.
- 1.4** The Council already has a number of penalty and prosecution policies in place with the proposed policy effectively consolidating and extending these, the last of which was last reviewed in September 2015.

## **2.0 PENALTY AND PROSECUTION POLICY**

- 2.1** The Counter Fraud Unit is undertaking a review of a number of policies and procedures, in support of each service area, to enable criminal investigations to be legally undertaken and appropriate sanctions to be applied. This Policy has been requested for use within the Revenues and Benefits Teams.
- 2.2** The recommended Policy has been drafted for all participants in the Counter Fraud Unit and will provide consistency to the application of penalties and prosecution across the County.
- 2.3** It should be noted that legislation outlines that to incur a Civil Penalty for a Housing Benefit overpayment, the value needs to exceed £250 however the draft Policy attached details that, for decisions at Tewkesbury Borough Council, this figure will be £1,000. Many of the thresholds and penalties remain at the same levels as previously approved.
- 2.4** As part of the Audit Committee's remit, it considered the draft Policy at its meeting on 19 July. The Policy was positively received by the Committee which endorsed the work of the CFU and the content of the draft Policy. A number of questions were raised by Members in respect of the promotion of the Council's Penalty and Prosecution Policy, the impact of Universal Credit and details of the Council's whistleblowing procedures.

## **3.0 OTHER OPTIONS CONSIDERED**

- 3.1** None.

## **4.0 CONSULTATION**

- 4.1** The Council Tax, Housing Benefit, Council Tax Support Penalty and Prosecution Policy was drafted on behalf of a number of Gloucestershire Authorities and Heads of Service, Corporate Leadership / Management Teams and the Legal Department have been consulted.
- 4.2** As detailed within the report, the Audit Committee has considered the draft Policy and commented thereon.

## **5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

- 5.1** Counter Fraud and Anti-Corruption Policy.

## **6.0 RELEVANT GOVERNMENT POLICIES**

- 6.1** None.

## **7.0 RESOURCE IMPLICATIONS (Human/Property)**

- 7.1** None.

## **8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

- 8.1** This is a positive example of joint working across the County. The existence of counter fraud activity acts as a deterrent to the abuse of public funds which impacts positively on the economy and local demographic.

**9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

**9.1** The service is a shared one across the County and as such overheads and management costs are also shared equally meaning there is increased value for money.

**10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

**10.1** Counter Fraud and Anti-Corruption Policy approved at Executive Committee in October 2016.

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**Background Papers:** Report to Council on 24 January 2017; Counter Fraud Unit Business Case.

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**Appendices:** Appendix A – Draft Council Tax, Housing Benefit, Council Tax Support Penalty and Prosecution Policy