

*Draft Regulations laid before the National Assembly for Wales under section 14D(3) of the Local Government Finance Act 1992.*

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W E L S H S T A T U T O R Y  
I N S T R U M E N T S

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**2013 No. (W.)**

**COUNCIL TAX, WALES**

**The Council Tax Reduction  
Schemes (Detection of Fraud and  
Enforcement) (Wales) Regulations  
2013**

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

The Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012 require each billing authority in Wales to make a scheme (a council tax reduction scheme) specifying the reductions which are to apply to amounts of council tax payable by persons or classes of persons considered to be in financial need. The Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012 prescribe a scheme (the default scheme) which is to take effect if a billing authority fails to make its own council tax scheme. These Regulations are made under sections 14A to 14C of the Local Government Finance Act 1992, and make provision for the creation of offences and for powers to require information and to impose penalties in connection with council tax reduction schemes and the default scheme.

Regulation 3 provides that a billing authority may grant an authorisation to an individual to exercise the powers conferred on an authorised officer under regulations 4 and 5.

Regulation 4 enables officers authorised under regulation 3 to require information from specified persons for the purpose of preventing, detecting and securing evidence of the commission of offences connected with an application for or award of a reduction under a council tax reduction scheme or the default scheme.

Regulation 5 enables a billing authority to require the persons specified in regulation 4(4) to enter into arrangements under which authorised officers are allowed access to electronic records. Such arrangements may be required where it appears to a billing authority that facilities exist under which access to those records is being provided or is capable of being provided and the records contain or are likely to contain information about a matter relevant to the purpose of preventing, detecting and securing evidence of the commission of offences connected with an application for or award of a reduction under a council tax reduction scheme or the default scheme.

Regulation 6 provides that it is an offence to intentionally delay or obstruct an authorised officer in the exercise of any power under regulation 4 or 5 to require information. It is also an offence for a person to refuse or fail (without reasonable excuse) to comply with a requirement to enter into arrangements for access to electronic records under regulation 5, or to provide information when required to do so under regulation 4.

Regulation 7 creates an offence where a person makes a statement or representation which that person knows to be false for the purpose of obtaining a reduction under a council tax reduction scheme or the default scheme. It is also an offence to provide or knowingly cause or allow to be provided a document or information which is false for that purpose.

Regulation 8 creates an offence where there has been a change of circumstances which a person knows affects that person's entitlement to a reduction, and that person fails to give notice of a change as required by an authority's council tax reduction scheme or the default scheme. It also provides that it is an offence to cause or allow a person to fail to give this notification.

Regulation 9 creates an offence where a person dishonestly makes a false statement or representation for the purpose of obtaining a reduction under a council tax reduction scheme or the default scheme. It is also an offence to dishonestly provide or cause or allow to be provided a document or information which is false for that purpose.

Regulation 10 creates an offence where there has been a change of circumstances which a person knows affects that person's entitlement to a reduction, and that person dishonestly fails to give notice of a change as required by an authority's council tax reduction scheme or the default scheme. It also provides that it is an offence to dishonestly cause or allow a person to fail to give this notification.

Regulation 11 makes provision for offences under the Regulations committed by bodies corporate.

Regulation 12 sets out the time limit for commencing proceedings for an offence under the Regulations.

Regulations 13 to 15 enable a billing authority to invite a person to agree to pay a penalty as an alternative to prosecution for an offence relating to the award of a reduction under a council tax reduction scheme to which a person was not entitled, or an offence relating to an act or omission which could have resulted in such an award.

Regulations 16 and 17 enable a billing authority to impose a penalty of £70 on a person in circumstances such as where a person negligently makes an incorrect statement in connection with an application for a reduction under a council tax reduction scheme or the default scheme or where a person fails to notify a change of circumstances when required to do so under such a scheme.

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained at Local Government Finance and Public Service Performance Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

*Draft Regulations laid before the National Assembly for Wales under section 14D(3) of the Local Government Finance Act 1992.*

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**2013 No. (W. )**

**COUNCIL TAX, WALES**

**The Council Tax Reduction  
Schemes (Detection of Fraud and  
Enforcement) (Wales) Regulations  
2013**

*Made*

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*Coming into force in accordance with  
regulation 1*

The Welsh Ministers make the following Regulations in exercise of the powers conferred upon them by sections 14A, 14B, 14C and 113(1) and (2) of the Local Government Finance Act 1992<sup>(1)</sup>.

In accordance with section 14D(3) of that Act, a draft of this instrument has been laid before and approved by a resolution of the National Assembly for Wales.

**Title, commencement and application**

**1.—**(1) The title of these Regulations is the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (Wales) Regulations 2013.

(2) Subject to paragraph (3), these Regulations come into force the day after the day on which they are made.

(3) Regulations 7 and 9 come into force 14 days after the day on which these Regulations are made.

(4) These Regulations apply in relation to Wales.

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(1) 1992 c.14; sections 14A, 14B and 14C were inserted by section 14 of the Local Government Finance Act 2012 (c. 17); subsections (1) and (2) of section 113 were amended by section 127 of, and paragraphs 40 and 52 of Schedule 7 to the Local Government Act 2003 (c.26), and section 80 of the Localism Act 2011 (c.20).

## Interpretation

### 2.—(1) In these Regulations—

“the 1992 Act” (“*Deddf 1992*”) means the Local Government Finance Act 1992;

“the Contributions and Benefits Act” (“*y Ddeddf Cyfraniadau a Budd-daliadau*”) means the Social Security Contributions and Benefits Act 1992(1);

“the Default Scheme” (“*y Cynllun Diofyn*”) means the scheme set out in the Schedule to the Council Tax Reduction Schemes (Default Scheme) (Wales) Regulations 2012(2);

“the Prescribed Requirements Regulations” (“*y Rheoliadau Gofynion Rhagnodedig*”) means the Council Tax Reduction Schemes and Prescribed Requirements (Wales) Regulations 2012(3);

“application” (“*cais*”) means an application for a reduction under a council tax reduction scheme;

“authorised officer” (“*swyddog awdurdodedig*”) means a person acting in accordance with any authorisation for the purposes of these Regulations which is for the time being in force in relation to that person;

“council tax offence” (“*trosedd treth gyngor*”) means—

- (a) any criminal offence in connection with the making of an application;
- (b) any criminal offence in connection with the award of a reduction under a council tax reduction scheme;
- (c) any criminal offence committed for the purpose of facilitating the commission (whether or not by the same person) of an offence of the kind referred to in subparagraph (a) or (b);
- (d) any attempt or conspiracy to commit an offence of the kind referred to in subparagraph (a) or (b);

“council tax reduction scheme” (“*cynllun gostyngiadau'r dreth gyngor*”) means a scheme made by a billing authority in accordance with the Prescribed Requirements Regulations or which applies in default in accordance with paragraph 6(1)(e) of Schedule 1B to the Local Government Finance Act 1992.

### (2) For the purposes of these Regulations—

- (a) references to a document include references to anything in which information is recorded in electronic or any other form;

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(1) 1992 c.4.  
(2) S.I. 2012/3145 (W. 317).  
(3) S.I. 2012/3144 (W. 316).

- (b) the requirement that a notice given by an authorised officer be in writing is taken to be satisfied in any case where the contents of the notice—
  - (i) are transmitted to the recipient of the notice by electronic means; and
  - (ii) are received by the recipient in a form that is legible and capable of being recorded for future reference.

### **Authorisations by billing authorities**

3.—(1) Subject to paragraphs (2) and (3), a billing authority may grant an authorisation to an individual to exercise the powers conferred on an authorised officer under regulations 4 and 5.

(2) A billing authority may only grant an authorisation to an individual if the individual is—

- (a) employed to exercise functions relating to council tax reduction schemes by that authority;
- (b) employed to exercise functions relating to council tax reduction schemes by another billing authority or joint committee that carries out functions relating to council tax reduction schemes on behalf of that authority; or
- (c) employed to exercise functions relating to council tax reduction schemes by a person authorised under the Local Authorities (Contracting Out of Tax Billing, Collection and Enforcement Functions) Order 1996<sup>(1)</sup> by—
  - (i) the authority in question; or
  - (ii) any such authority as is mentioned in sub-paragraph (b).

(3) An authorisation granted to an individual for the purposes of these Regulations—

- (a) must be in writing and provided to that individual as evidence of that individual's entitlement to exercise powers conferred by these Regulations;
- (b) may contain provision as to the period for which the authorisation is to have effect; and
- (c) may restrict the powers exercisable by virtue of the authorisation so as to prohibit their exercise except for particular purposes or in particular circumstances.

(4) An authorisation may be withdrawn at any time in writing by the authority that granted it.

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(1) S.I. 1996/1880 as amended by S.I. 2013/ .

(5) The written authorisation or withdrawal of an authorisation by a billing authority must be issued under the hand of either—

- (a) the officer designated under section 4 of the Local Government and Housing Act 1989<sup>(1)</sup> as the head of the authority's paid service; or
- (b) the officer who is the authority's chief finance officer (within the meaning of section 5(8) of that Act).

(6) An individual who is authorised for the purposes of regulation 4, is only entitled to exercise the powers which are conferred by that regulation for the purpose of preventing, detecting and securing evidence of the commission (whether by particular persons or more generally) of a council tax offence.

(7) An authorised officer is entitled to obtain information in accordance with arrangements entered into under regulation 5 only if that officer's authorisation states that their authorisation applies for the purposes of that regulation.

(8) Nothing in this regulation conferring any power on an authorised officer requires that power to be exercised only in relation to cases in which the authority administering the council tax reduction scheme is the authority by which that officer's authorisation was granted.

#### **Power to require information**

4.—(1) In the circumstances described in paragraph (2), an authorised officer may, by written notice, require a person to provide all such information described in the notice as is information of which that person has possession, or to which that person has access, and which it is reasonable for the authorised officer to require for the purpose described in regulation 3(6).

(2) The circumstances are that the authorised officer has reasonable grounds for suspecting that the person—

- (a) is a person falling within paragraph (3) or (4); and
- (b) has or may have possession of or access to any information about any matter that is relevant for the purpose described in regulation 3(6).

(3) The persons who fall within this paragraph are—

- (a) any person who is or has been an employer or employee within the meaning of any provision made by or under the Contributions and Benefits Act;

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(1) 1989 c.42. Amendments have been made to section 4 but they are not relevant to these Regulations.

- (b) any person who is or has been a self-employed earner within the meaning of any such provision;
  - (c) any person who by virtue of any provision made by or under that Act falls, or has fallen, to be treated for the purposes of any such provision as a person within sub-paragraph (a) or (b);
  - (d) any person who is carrying on, or has carried on, any business involving the supply of goods for sale to the ultimate consumers by individuals not carrying on retail businesses from retail premises;
  - (e) any person who is carrying on, or has carried on, any business involving the supply of goods or services by the use of work done or services performed by persons other than employees of that person;
  - (f) any person who is carrying on, or has carried on, an agency or other business for the introduction or supply, to persons requiring them, of persons available to do work or to perform services;
  - (g) any local authority acting in their capacity as an authority responsible for the granting of any licence;
  - (h) any person who is or has been a trustee or manager of a personal or occupational pension scheme;
  - (i) the servants and agents of any such person as is specified in any of sub-paragraphs (a) to (h).
- (4) The persons who fall within this paragraph are—
- (a) any bank;
  - (b) the Director of Savings appointed under section 1(1) of the National Debt Act 1972<sup>(1)</sup>;
  - (c) any person carrying on a business the whole or a significant part of which consists of the provision of credit (whether secured or unsecured) to members of the public;
  - (d) any insurer;
  - (e) any person carrying on a business the whole or a significant part of which consists in the provision to members of the public of a service for transferring money from place to place;
  - (f) any water undertaker or sewerage undertaker;
  - (g) any person who is the holder of—

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(1) 1972 c.65.



- (i) a licence under section 7 of the Gas Act 1986<sup>(1)</sup> to convey gas through pipes, or
- (ii) a licence under section 7A(1) of that Act<sup>(2)</sup> to supply gas through pipes;
- (h) any person who (within the meaning of the Electricity Act 1989<sup>(3)</sup>) distributes or supplies electricity;
- (i) any person conducting any educational establishment or institution;
- (j) any body the principal activity of which is to provide services in connection with admissions to educational establishments or institutions;
- (k) the Student Loans Company;
- (l) any servant or agent of any person mentioned in sub-paragraphs (a) to (k).

(5) Subject to the following provisions of this regulation, the powers conferred by this regulation on an authorised officer to require information from any person by virtue of that person falling within paragraph (4) are exercisable for the purpose only of obtaining information relating to a particular person identified (by name or description) by the officer.

(6) An authorised officer may not, in exercise of those powers, require any information from any person by virtue of his falling within paragraph (4) unless it appears to that officer that there are reasonable grounds for believing that the identified person to whom it relates is—

- (a) a person who has committed, is committing or intends to commit a council tax offence;
- (b) a person who is a member of the family of a person falling within sub-paragraph (a); or
- (c) where a person falling within sub-paragraph (a) is polygamously married, any partner of that person.

(7) A person's obligation to provide information in accordance with a notice under this regulation may only be discharged by the provision of that information, at such reasonable time and in such form as may be specified in the notice, to the authorised officer who—

- (a) is identified by or in accordance with the terms of the notice; or
- (b) has been identified, since the giving of the notice, by a further written notice given by the authorised officer who imposed the original requirement or another authorised officer.

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(1) 1986 c.44.  
(2) Section 7A was inserted by section 6(1) of the Gas Act 1995 (c.45). Subsection (1) was subsequently amended by section 3(2) of the Utilities Act 2000 (c.27).  
(3) 1989 c.29.

(8) The power of an authorised officer under this regulation to require the provision of information includes a power to require the production and delivery up and (if necessary) creation of, or of copies of or extracts from, any such documents containing the information as may be specified or described in the notice imposing the requirement.

(9) No person is to be required under this regulation to provide—

- (a) any information (whether in documentary form or not) that tends to incriminate that person or, in the case of a person who is married or is a civil partner, that person's spouse or civil partner; or
- (b) any information (whether in documentary form or not) in respect of which a claim to legal professional privilege would be successful in any proceedings.

(10) The powers conferred by this regulation are exercisable in relation to persons holding office under the Crown and persons in the service of the Crown, as they are exercisable in relation to other persons.

(11) In this regulation—

“bank” (“*banc*”) means—

- (a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000<sup>(1)</sup> to accept deposits;
- (b) an EEA firm of the kind mentioned in paragraph 5(b) of Schedule 3 to that Act<sup>(2)</sup> which has permission under paragraph 15 of that Schedule<sup>(3)</sup> (as a result of qualifying for authorisation under paragraph 12 of that Schedule<sup>(4)</sup>) to accept deposits or other repayable funds from the public; or
- (c) a person who does not require permission under that Act to accept deposits, in the course of that person's business in the United Kingdom;

“credit” (“*credyd*”) includes a cash loan or any form of financial accommodation, including the cashing of a cheque;

“family” (“*teulu*”) has the meaning given in regulation 6 of the Prescribed Requirements Regulations;

“insurer” (“*yswiriwr*”) means—

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(1) 2000 c.8.  
(2) Sub-paragraph (b) was substituted by regulation 29 of, and paragraph 2 of Schedule 3 to, S.I. 2006/3221.  
(3) Sub-paragraph (1) of paragraph 15 was amended by S.I. 2007/3253. Other amendments made to paragraph 15 are not relevant to these Regulations.  
(4) Sub-paragraph (9) of paragraph 12 was inserted by S.I. 2012/1906. Other amendments made to paragraph 12 are not relevant to these Regulations.

- (a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance; or
- (b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act<sup>(1)</sup>, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of insurance;

“partner” (“*partner*”) has the meaning given in regulation 2 of the Prescribed Requirements Regulations.

(12) The definitions of “bank” and “insurer” in paragraph (11) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.

#### **Power to require electronic access to information**

5.—(1) Subject to paragraph (3), a billing authority may, in the circumstances described in paragraph (2), require a person falling within regulation 4(4) to enter into arrangements under which an authorised officer is allowed access to electronic records kept by that person.

(2) The circumstances are that—

- (a) the person falling within regulation 4(4) keeps electronic records;
- (b) the records contain or are likely, from time to time, to contain information about any matter that is relevant to the purpose described in regulation 3(6); and
- (c) facilities exist under which electronic access to those records is being provided, or is capable of being provided, by that person to other persons.

(3) An authorised officer may not seek to obtain any information in accordance with arrangements entered into under paragraph (1) other than information which—

- (a) relates to a particular person; and
- (b) could be the subject of any such requirement as may be imposed under regulation 4.

(4) The matters that may be included in the arrangements that a person is required to enter into under paragraph (1) are—

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(1) Sub-paragraph (d) was amended by regulation 6 of S.I. 2004/3379.

- (a) requirements as to the electronic access to records that is to be made available to an authorised officer;
- (b) requirements as to the keeping of records of the use that is made of the arrangements;
- (c) requirements restricting the disclosure of information about the use that is made of the arrangements; and
- (d) such other incidental requirements as the authority in question considers appropriate in connection with allowing access to records to an authorised officer.

(5) An authorised officer who is allowed access in accordance with any arrangements entered into under paragraph (1) is entitled to make copies of, and to take extracts from, any records containing information falling within paragraph (3).

#### **Delay or obstruction of authorised officer**

6.—(1) A person (P) is to be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale if P—

- (a) intentionally delays or obstructs an authorised officer in the exercise of any power under regulation 4 or 5;
- (b) refuses or fails, without reasonable excuse, to comply with any requirement under regulation 5 or with the requirements of any arrangements entered into in accordance with paragraph (1) of that regulation; or
- (c) refuses or fails, without reasonable excuse, to provide any information or to provide any document when required to do so under regulation 4.

(2) Where P is convicted of an offence arising in the circumstances described in paragraph (1)(b) or (c) and the refusal or failure is continued by P after P's conviction, P is to be guilty of a further offence and liable on summary conviction to a fine not exceeding £40 for each day on which the offence is continued.

#### **False representations for obtaining a reduction**

7. A person (P) is to be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale, or to imprisonment for a term not exceeding 3 months, or to both if P, for the purpose of obtaining a reduction under a council tax reduction scheme whether for P or some other person—

- (a) makes a statement or representation which P knows to be false; or

- (b) provides, or knowingly causes or knowingly allows to be provided, any document or information which P knows to be false.

**Failure to notify a change of circumstances**

**8.—(1)** A person (P) is to be guilty of an offence if—

- (a) there has been a change of circumstances affecting P's entitlement to a reduction under an authority's council tax reduction scheme or to the amount of such a reduction;
- (b) P is required to give notice of the change to the authority under the provision included in the authority's council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or by paragraph 113 of the Default Scheme;
- (c) P knows that the change affects P's entitlement to a reduction under a council tax reduction scheme or to the amount of such a reduction; and
- (d) P fails to give a prompt notification of that change in the manner required by the provision included in the authority's council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or by paragraph 113 of the Default Scheme.

**(2)** A person (P) will be guilty of an offence if—

- (a) there has been a change of circumstances affecting another person's (A) entitlement to a reduction under a council tax reduction scheme or to the amount of such a reduction;
- (b) A is required to give notice of the change to the authority under the provision included in the authority's council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or by paragraph 113 of the Default Scheme;
- (c) P knows that the change affects an entitlement of A to a reduction under a council tax reduction scheme or to the amount of such a reduction; and
- (d) P causes or allows A to fail to give a prompt notification of that change in the manner required by the provision included in the authority's council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or by paragraph 113 of the Default Scheme.

**(3)** Subject to paragraph (4), for the purposes of paragraphs (1) and (2) a notification of a change is prompt if it is given within a period of 21 days

beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

(4) Where a change occurs before these Regulations come into force, a notification of a change is prompt if it is given within a period of 21 days beginning with the day on which these Regulations come into force, or as soon as reasonably practicable after the change occurs, whichever is later.

(5) A person guilty of an offence under this regulation is to be liable on summary conviction to a fine not exceeding level 4 on the standard scale, or to imprisonment for a term not exceeding 3 months, or to both.

### **Dishonest representations for obtaining a reduction**

**9.—**(1) A person (P) is to be guilty of an offence if P, for the purpose of obtaining a reduction under a council tax reduction scheme whether for P or some other person, dishonestly—

- (a) makes a false statement or representation; or
- (b) provides, or causes or allows to be provided, any document or information which is false in a material particular.

(2) A person guilty of an offence under this regulation is to be liable—

- (a) on summary conviction to a fine not exceeding level 5 on the standard scale, or to imprisonment for a term not exceeding 6 months, or to both; or
- (b) on conviction on indictment to imprisonment for a term not exceeding seven years or to a fine or to both.

### **Dishonest failure to notify a change of circumstances**

**10.—**(1) A person (P) is to be guilty of an offence if—

- (a) there has been a change of circumstances affecting P's entitlement to a reduction under an authority's council tax reduction scheme or to the amount of such a reduction;
- (b) P is required to give notice of the change to the authority under the provision included in the authority's council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or by paragraph 113 of the Default Scheme;
- (c) P knows that the change affects P's entitlement to a reduction under a council tax reduction scheme or to the amount of such a reduction; and

(d) P dishonestly fails to give a prompt notification of that change in the manner required by the provision included in the authority's council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or by paragraph 113 of the Default Scheme.

(2) A person (P) will be guilty of an offence if—

(a) there has been a change of circumstances affecting another person's (A) entitlement to a reduction under a council tax reduction scheme or to the amount of such a reduction;

(b) A is required to give notice of the change to the authority under the provision included in the authority's council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or by paragraph 113 of the Default Scheme;

(c) P knows that the change affects an entitlement of A to a reduction under a council tax reduction scheme or to the amount of such a reduction; and

(d) P dishonestly causes or allows A to fail to give a prompt notification of that change in the manner required by the provision included in the authority's council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or by paragraph 113 of the Default Scheme.

(3) Subject to paragraph (4), for the purposes of paragraphs (1) and (2) a notification of a change is prompt if it is given within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

(4) Where a change occurs before these Regulations come into force, a notification of a change is prompt if it is given within a period of 21 days beginning with the day on which these Regulations come into force, or as soon as reasonably practicable after the change occurs, whichever is later.

(5) A person guilty of an offence under this regulation is to be liable—

(a) on summary conviction to a fine not exceeding level 5 on the standard scale, or to imprisonment for a term not exceeding 6 months, or to both; or

(b) on conviction on indictment to imprisonment for a term not exceeding seven years or to a fine or to both.

### **Offences by bodies corporate**

**11.**—(1) Where an offence under these Regulations, which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, a director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, the director, manager, secretary or other similar officer, as well as the body corporate, is to be guilty of that offence and liable to be proceeded against accordingly.

(2) Where the affairs of a body corporate are managed by its members, paragraph (1) applies in relation to the acts and defaults of a member in connection with the member's functions of management as if the member were a director of the body corporate.

### **Legal proceedings**

**12.**—(1) Proceedings brought for an offence under these Regulations may be begun at any time within the period of 3 months from the date on which evidence, sufficient in the opinion of the prosecutor to justify a prosecution for the offence, comes to the prosecutor's knowledge or within a period of 12 months from the commission of the offence, whichever period last expires.

(2) For the purposes of paragraph (1) a certificate of the prosecutor as to the date on which such evidence as is mentioned in that paragraph came to the prosecutor's knowledge is to be conclusive evidence of that date.

(3) Paragraph (1) does not impose any restriction on the time when proceedings may be begun for an offence under regulation 9 or 10.

### **Penalty as alternative to prosecution (excess reduction)**

**13.**—(1) A billing authority may give a person (P) a written notice including the information required by regulation 15, stating that P is invited to agree to pay a penalty, where P's liability to pay council tax in respect of a chargeable dwelling has been reduced under a council tax reduction scheme and it appears to the authority that—

- (a) the amount by which P's liability to pay council tax was reduced under the scheme is greater than the amount of the reduction to which P was entitled under the scheme (an "excess reduction");
- (b) the award of the excess reduction was attributable to an act or omission on the part of P; and



(c) there are grounds for instituting proceedings against P for an offence (under these Regulations or any other enactment) relating to the award of the excess reduction.

(2) Subject to paragraph (3), the amount of the penalty is 50% of the amount of the excess reduction (rounded down to the nearest whole penny), subject to—

- (a) a minimum amount of £100; and
- (b) a maximum amount of £1000.

(3) For the purpose of paragraph (2), the excess reduction is to be calculated on a daily basis beginning with the first day in respect of which the excess reduction is awarded and ending with the day on which the authority knew or ought reasonably to have known that an excess reduction has been awarded.

(4) If P agrees to pay the penalty specified in a written notice in the manner so specified—

- (a) the amount of the penalty is to be recoverable by the authority; and
- (b) no proceedings are to be instituted against P for an offence (under these Regulations or any other enactment) relating to the excess reduction.

(5) P may withdraw P's agreement to pay a penalty specified in a written notice by notifying the billing authority, in the manner specified by the authority, at any time during the period of 14 days beginning with the day on which P agrees to pay it.

(6) Where P has, under paragraph (5), withdrawn the agreement—

- (a) so much of the penalty as has already been recovered is to be repaid; and
- (b) paragraph (4) is not to apply.

(7) Where, after P has agreed to pay the penalty, it is subsequently decided that an excess reduction has not been awarded, the penalty is to be quashed and so much of the penalty as has already been recovered is to be repaid.

(8) Subject to paragraph (9), where, after P has agreed to pay the penalty, the amount of the excess reduction is revised—

- (a) so much of the penalty as has already been recovered is to be repaid; and
- (b) paragraph (4) is no longer to apply by reason of the agreement.

(9) If a new agreement is made under paragraph (1) in relation to the revised excess reduction, the amount already recovered by way of penalty, to the extent that it does not exceed the amount of the new penalty, may be treated as recovered under the new agreement instead of being repaid.

### **Penalty as alternative to prosecution (acts or omissions)**

**14.**—(1) A billing authority may give a person (P) a written notice stating that P is invited to agree to pay a penalty, where it appears to the billing authority that—

- (a) there are grounds for instituting proceedings against P for an offence (under these Regulations or any other enactment) relating to an act or omission on the part of P in relation to a council tax reduction scheme; and
- (b) the act or omission could have resulted in the amount of council tax P is liable to pay being reduced under a council tax reduction scheme by an amount greater than the amount of reduction to which P was entitled under the scheme.

(2) The amount of the penalty is £100.

(3) If P agrees to pay the penalty specified in a written notice in the manner so specified—

- (a) the amount of the penalty is to be recoverable by the authority; and
- (b) no proceedings are to be instituted against P for an offence (under these Regulations or any other enactment) relating to the act or omission.

(4) P may withdraw P's agreement to pay a penalty specified in a written notice by notifying the billing authority, in the manner specified by the authority, at any time during the period of 14 days beginning with the day on which P agrees to pay it.

(5) Where P has, under paragraph (4), withdrawn the agreement—

- (a) so much of the penalty as has already been recovered is to be repaid; and
- (b) paragraph (3) is not to apply.

### **Notices**

**15.** The notice to which regulations 13 and 14 refer must contain the following information—

- (a) the manner specified by the billing authority by which P may—
  - (i) agree to pay a penalty;
  - (ii) notify the withdrawal of P's agreement to pay a penalty;
- (b) that if P wishes to withdraw the agreement, P must notify the withdrawal to the billing authority within 14 days (including the date of the agreement);
- (c) that if an agreement is withdrawn, so much of the penalty as has already been recovered

- will be repaid and P will no longer be immune from proceedings for an offence;
- (d) that the payment of a penalty does not give P immunity from prosecution in relation to any other excess reduction or (in a case to which regulation 14 refers) any other act or omission;
  - (e) that if P alleges that there is no power in the case concerned to impose a penalty of the amount imposed, P may appeal to a valuation tribunal under paragraph 3(4) of Schedule 3 to the 1992 Act<sup>(1)</sup> against the imposition;
  - (f) in a case to which regulation 13 refers—
    - (i) that if P pays the penalty specified in the written notice in the manner specified in the written notice, the proceedings to which regulation 13(1)(c) refers will not be instituted against P;
    - (ii) that the penalty only applies to the award of a reduction under the billing authority's council tax reduction scheme greater than the amount of reduction to which the person was entitled under the scheme;
    - (iii) that the penalty only applies where it appears to the billing authority that the award of the excess reduction was attributable to an act or omission by P and that there are grounds for instituting proceedings for an offence relating to the excess reduction;
    - (iv) that the penalty is 50% of the amount of the excess reduction (subject to the minimum and maximum amounts set out in regulation 13(2));
    - (v) that the penalty is payable in addition to repayment of the excess reduction;
    - (vi) the method by which the excess reduction is recoverable;
    - (vii) that if it is subsequently decided that an excess reduction has not been awarded, so much of the penalty as has already been recovered will be repaid;
    - (viii) that if the amount of the excess reduction is revised by the billing authority, except as covered by a new agreement to pay the revised penalty, so much of the penalty as has already been recovered will be repaid and P will no longer be immune from proceedings for an offence;
  - (g) in a case to which regulation 14 refers—

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(1) 1992 c.14; sub-paragraph (4) was inserted by section 14 of the Local Government Finance Act 2012 (c.17).

- (i) that if P pays the penalty specified in the written notice in the manner specified in the written notice, the proceedings to which regulation 14(1)(a) refers will not be instituted against P;
- (ii) that the penalty only applies where it appears to the billing authority that—
  - (aa) there are grounds for instituting proceedings against P for an offence relating to an act or omission on the part of P in relation to a council tax reduction scheme; and
  - (bb) the act or omission could have resulted in the amount of council tax P is liable to pay being reduced under a council tax reduction scheme by an amount greater than the amount of reduction to which P was entitled under the scheme;
- (iii) that the penalty is £100; and
- (iv) the method by which the penalty is recoverable.

#### **Penalties for incorrect statements**

**16.—**(1) A billing authority may impose a penalty of £70 on a person (P) where—

- (a) P negligently makes an incorrect statement or representation, or negligently gives incorrect information or evidence—
  - (i) in or in connection with an application; or
  - (ii) in connection with the award of a reduction under a council tax reduction scheme;
- (b) P fails to take reasonable steps to correct the error;
- (c) the error results in an award of a reduction under a council tax reduction scheme which is greater than the amount of reduction to which P was entitled (an “excess reduction”); and
- (d) P has not been charged with an offence or cautioned, or been given a notice under regulations 13 to 15 in respect of the excess reduction.

(2) A penalty may not be imposed under this regulation in relation to any act or omission which occurs before the day on which these Regulations come into force.

(3) A penalty under this regulation is to be paid to the authority imposing it.

(4) An authority may quash a penalty imposed by it under this regulation.

**Penalties for failure to notify a change of circumstances**

17.—(1) A billing authority may impose a penalty of £70 on a person (P) where—

- (a) P, without reasonable excuse, fails to give a prompt notification of a relevant change of circumstances to the authority in accordance with requirements imposed on P under the provision included in the authority’s council tax reduction scheme by virtue of paragraph 7 of Schedule 13 to the Prescribed Requirements Regulations or under paragraph 113 of the Default Scheme;
- (b) the failure results in an award of a reduction under a council tax reduction scheme which is greater than the amount of reduction to which P was entitled (an “excess reduction”); and
- (c) P has not been charged with an offence or cautioned, or been given a notice under regulations 13 to 15, in respect of the excess reduction.

(2) In this regulation, “relevant change of circumstances” (*“newid perthnasol yn yr amgylchiadau”*), in relation to P, means a change of circumstances which P might reasonably be expected to know might affect P’s entitlement to a reduction under the authority’s council tax reduction scheme or the amount of such a reduction.

(3) Subject to paragraph (4), for the purposes of paragraph (1)(a), a notification of a change is prompt if it is given within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

(4) Where a change occurs before these Regulations come into force, a notification of a change is prompt if it is given within a period of 21 days beginning with the day on which these Regulations come into force, or as soon as reasonably practicable after the change occurs, whichever is later.

(5) A penalty under this regulation is to be paid to the authority imposing it.

(6) An authority may quash a penalty imposed by it under this regulation.

*Name*

Minister for Local Government and Communities, one of the Welsh Ministers

*Date*