

**EXPLANATORY MEMORANDUM TO
THE LOCAL GOVERNMENT FINANCE (ENGLAND) (SUBSTITUTION
OF PENALTIES) ORDER 2008**

2008 No. 981

1. This explanatory memorandum has been prepared by HM Treasury and is laid before Parliament by Command of Her Majesty.

2. **Description**

- 2.1 The instrument updates the penalties that a billing authority may impose on a person for failure to provide information requested to identify who is liable for council tax on a dwelling or for failure to notify the authority that a council tax discount or exemption should not apply.

- 2.2 The penalties have been updated in line with inflation.

- The penalty for failure to provide information requested to a billing authority to identify who is liable for council tax on a dwelling or for failure to notify the authority that a council tax discount or exemption should not apply is updated from £50 to £70.
- Where a penalty has been imposed on person before for failing to provide information requested to identify who is liable for council tax on a dwelling and he has been requested by the billing authority to provide the same information (under the same provision) again and has either failed to provide it or knowingly supplied information which is inaccurate the penalty is updated from £200 to £280.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

- 3.1 None.

4. **Legislative background**

- 4.1 This Order will have the effect of updating the level of penalties that may be imposed for the failure to provide information needed to help billing or levying authorities collect council tax. Under paragraphs 1 and 2 of Schedule 3 to the Local Government Finance Act 1992 billing and levying authorities can impose penalties on persons who fail to provide information requested to identify who is liable for the tax or for failure to notify the authority that a council tax discount or exemption should not apply.

- 4.2 These penalties have not been updated since the passing of this legislation and, due to changes in the value of money, their effect as a deterrent has diminished. The new penalties have been updated in line

with inflation (39.75% between April 1993 and April 2006), rounded to the nearest £5.

- 4.3 The uprating of the penalties will not apply in relation to any failure which began, or anything done before, the date on which the order comes into force by virtue of paragraph 5(2) of Schedule 3 to the Act.

5. Extent

- 5.1 This instrument applies to England.

6. European Convention on Human Rights

- 6.1 The Chief Secretary to the Treasury, Rt Hon Yvette Cooper MP, has made the following statement regarding Human Rights.

“In my view, the provisions of the Local Government Finance (England) (Substitution of Penalties) Order 2007 are compatible with Convention rights.”

7. Policy Background

- 7.1 The Department for Communities and Local Government (DCLG) published a consultation paper containing the proposed amendments on 8 August 2006. It was also made available on the Department’s web-site. The paper, and a list of those it was sent to, can be at the following link:

<http://www.communities.gov.uk/index.asp?id=1502036>

- 7.2 The consultation period closed on 31 October 2006.

- 7.3 DCLG received 59 representations in response to the consultation. Of these 47 supported this change and only 1 opposed it. The low number of responses was expected given the minor, technical nature of the proposed amendments. An analysis of the consultation responses can be found at the following link:

<http://www.communities.gov.uk/index.asp?id=1502036>

- 7.4 The amendments will come into force on 1st May 2008.

8. Impact

- 8.1 A full regulatory impact assessment has not produced for this instrument as it has no impact on the cost of businesses, charities or voluntary bodies; neither does it have significant financial impact on any public bodies.

9. Contact

- 9.1 Rachel Armitage at HM Treasury, e-mail rachel.armitage@hm-treasury.gsi.gov.uk can answer any queries regarding the instrument.

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Date 2008