



Department for  
Communities and  
Local Government

# Improving efficiency of council tax collection

Equality statement



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## Policy and Service Analysis Template

<b>1. Name of Directorate</b>
Local Government Finance
<b>2. Please list all the policy streams in your business area.</b>
<p><i>Include, brief:</i></p> <ul style="list-style-type: none"><li>• <i>Details of policy aims, and</i></li><li>• <i>What outcomes it will achieve</i></li></ul> <p>The aim of the policy is to improve the efficiency of council tax collection and enforcement practices. This will primarily be achieved through increased capacity to share data between Government departments and local authorities, using the model of data sharing currently used in relation to Local Council Tax Support schemes.</p> <p>Council tax collection rates in England are generally high. The overall rate in England in 2014-15 was 97%. Council tax levels have fallen by 11 per cent in real terms since 2010-11.</p> <p>The Government is committed to helping local authorities to continue keeping council tax low. Improved collection and enforcement has an important part to play in this. Currently, local authorities have existing powers to obtain employment information for council tax debtors. Once a liability order has been obtained from a magistrates' court, there is a duty on that individual to supply relevant information which assists the local authority in enforcing an Attachment of Earnings order. Failure to comply or the provision of false information is an offence, and could lead to a fine. However, obtaining information via this route is costly and ineffective – there is a very low response rate for requests for employment information, prosecution for failure to provide this information is time-consuming and costly, and the prosecution costs/fine further increases the taxpayer's debt. There is no guarantee, even after prosecution, that employment information will be provided.</p> <p>The collection of council tax debt from higher-income debtors could be improved by extending the data-sharing gateway which currently exists between HMRC and local authorities. This would help to avoid further court action, would provide quicker access to reliable information, and avoid imposing any additional costs on the debtor. The principle of this data-sharing is already well-established, and it would make the powers applying to low-income and higher-income council tax debtors consistent.</p> <p>As well as protecting the funding of local services, it would reduce the administrative costs of the local tax system, promote fairness for all taxpayers and make strides towards cross-cutting government objectives such as tax compliance and anti-avoidance.</p>
<b>3. Identify any policy streams aimed at or impacting upon a Protected Group.</b>
<p><i>The protected groups are:</i></p> <ul style="list-style-type: none"><li>• <i>Age (employment);</i></li><li>• <i>Disability;</i></li><li>• <i>Gender Reassignment;</i></li><li>• <i>Pregnancy and Maternity;</i></li><li>• <i>Race; Religion or belief; Sex; and</i></li><li>• <i>Sexual Orientation</i></li></ul> <p>Increasing data-sharing between Government departments and local authorities as set out above could impact on working-age individuals belonging to the protected groups. The changes would be uniform and would have the same impact on protected groups as on people who are not in protected groups.</p>

**4. Who has responsibility for developing these policies?**

*Please name the person/s in DCLG responsible.*  
*If DCLG does not hold responsibility please provide full details of organisations that do including any relevant stakeholders and agencies.*  
Hulya Mustafa, Local Government Finance

**5. Are there any EU or other statutory regulations that need to be adhered to regarding equalities?**

*Provide details of which regulation relates to each policy or programme.*  
The Public Sector Equality Duty (section 149 of the Equality Act 2010) is as follows –  
(1) A public authority must, in the exercise of its functions, have due regard to the need to—  
(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;  
(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;  
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.  
(2) A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).  
(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—  
(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;  
(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;  
(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.  
(4) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.  
(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—  
(a) tackle prejudice, and  
(b) promote understanding.  
As mentioned above the protected characteristics are - age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation

**6. The following summary will be analysed and used as evidence which you considered in demonstrating due regard to the Public Sector Equality Duty. Have you used**

**information from any of the following sources when developing policies?**

*This can be (but not limited to):*

- *Links to new/existing reports*
- *Extracts from consultation responses and any follow up with respondents*
- *Any data captured/published.*
- *Reference to research – new or existing*
- *Minutes of meetings/Notes from stakeholder workshops where equality considerations were addressed/discussed (remember to capture the names of participants – particularly relevant for external organisations/individuals)*

N/A

**7. Have you discovered any of the following and as a consequence taken actions on identified equality issues?**

- *Known difference in needs for those with a protected characteristic, and*
- *Evidence of an adverse equality impact on those with a protected characteristic.*
- *List any actions taken to mitigate again adverse equality impact on those with a protected characteristic*

The impact of the policy is the same on all council tax payers regardless of whether they are in one or more of the protected groups. HMRC will share attachment to earnings data with local authorities for anyone who falls into arrears on their council tax bill.

However, we will continue to monitor this policy once it is implemented.

**8. When your policies are finally implemented which groups are most likely to benefit?**

*Answers here do not need to be limited to the protected characteristics.*

All council taxpayers should benefit from these proposals as they will ease the pressures of collection on local authorities, allow for a less intrusive enforcement process and help to keep future council tax bills as low as possible.

**9. In considering the above information have any gaps in data or equalities information been identified?**

*Include your analysis of the Department’s role in addressing these gaps. Does the department have a direct role? Or do we need to work with others to close these gaps? If so, please identify who we need to work with.*

N/A

**10. Overall, can you make an assessment of the potential of this policy; programme/service to have a substantial equalities impact on discrimination, fostering good relations or advancing equality of opportunity? Please try to limit your answer here to less than an A4 page.**

The extension of the data-sharing gateway which currently exists between HMRC and local authorities will remove an inconsistency in the existing legislation which prohibits HMRC from sharing data pertaining to higher income debtors but permits them to share data pertaining to lower income debtors.

Feedback from local authorities indicates that the eradication of this inconsistency would significantly increase their council tax revenue. All residents within a local area would benefit from this, as there would be more money to fund services and less pressure on future council tax bills.

The current obligation to obtain a liability order prior to enforcing an attachment of earnings order requires the council tax debtor to supply employment information. Failure to provide this is a criminal offence and often leads to prosecution, with its affiliated costs, or a fine. This compounds the arrears already faced by the debtor and further penalises them. The proposed measures would remove the need for protracted procedural actions such as an attachment to earnings order.

Improving data-sharing in the council tax system is non-discriminatory and it is applied to all council taxpayers without exception. Furthermore, the new legislation will rectify a long-standing inconsistency and advance equality of treatment for all council tax debtors.

**This analysis was undertaken by:** Nick Littlewood and Kassim Ramji

**Advice sought from:**

<b>Name/Title</b>	Hülya Mustafa		
<b>Directorate/Unit</b>	LGF	<b>Lead contact</b>	Nick Littlewood
<b>Date</b>	15/07/2015		

**SCS Sign off**

**I have read the available evidence and I am satisfied that this demonstrates compliance, where relevant, with Section 149 of the Equality Act and that due regard has been made to the need to: eliminate unlawful discrimination; advance equality of opportunity; and foster good relations.**

## Equality Duty Flow Chart

1) Before I begin forming or reviewing a policy, do I have knowledge of the public sector Equality Duty and know what having due regard to its aims involves?

- (i) If yes, could this policy, or the way the function is carried out, affect people who share relevant protected characteristics in different ways from people who don't share them?
- (ii) If no, you need to be aware of the Equality Duty and what having due regard entails. See information elsewhere in this guide.

2) If this policy, or the way the function is carried out, affect people who share relevant protected characteristics in different ways from people who don't share them?

- (i) If yes, do you have information to determine if the policy could affect people differently and what the effect on them is likely to be? Is further data, research, consultation or involvement needed?
- (ii) If no, You should record how you considered the potential impact the policy or function could have on people with different protected characteristics, and how you arrived at the decision that there was no differential impact.

3) If you have information to determine if the policy could affect people differently and what the effect on them is likely to be? Is further data, research, consultation or involvement needed?

- (i) If yes, analyse the information you have and make sure you have considered the three matters mentioned in the Duty (eliminating discrimination, advancing equality of opportunity and fostering good relations)
  - Consider if you need to change the policy, or mitigate the impacts for people with particular characteristics. Keep a record of the matters you considered, to demonstrate that due regard has been paid. Examples could include the minutes of a meeting where it was discussed, a submission, an email exchange, etc.
  - Ensure you continue to consider equality as the policy is implemented and reviewed. The Equality Duty is a continuing duty, not a one-off exercise
- (ii) If no, You should ensure you understand these effects, so they can be properly considered. You may require further evidence, which could be gathered from:
  - engaging or consulting with interested parties
  - speaking to analysts to see what information is already available
  - researching national or local data and statistics

Having due regard

Having due regard to the aims of the Equality Duty simply involves considering the aims of the duty in a way that is proportionate to the issue at hand. You should ensure that you give real consideration to these aims and think about the impact of policies with rigour and with an open mind, in such a way that it influences the final decision. You should do this before and during policy formation, and when a decision is taken. Considering equality in this way should be part of your normal day-to-day role.