ico.
Information Commissioner's Office

DPIA – Barnsley Metropolitan Borough Council and HMRC Digital Economy Act Data Sharing Pilot.

Step 1: Identify the need for a DPIA

Explain broadly what the project aims to achieve and what type of processing it involves. You may find it helpful to refer or link to other documents, such as a project proposal. Summarise why you identified the need for a DPIA.

Barnsley Metropolitan Borough Council has a strategic objective to improve the Council Tax collection rate.

For 2017/18, the Council issued approximately 109535 bills to resident households demanding £106,448,661 in Council Tax, with an average collection rate of 96.07% (national average is 97.1%), leaving a debt of £4,192,849 remaining at year end.

The Council obtained 15254 Liability Orders at the Magistrates Court, of which over 12000 of these liability orders were eventually passed to Enforcement Agents, with only 7% resulting in Attachment of Earnings (AoE) - a process where direct deductions are made from salary at a percentage set by Local Government Finance Act 1992 (LGFA 1992).

The Council have identified that sharing Council Tax debt data with Her Majesty's Revenues and Customs (HMRC) to obtain PAYE and self-assessment information could support:-

- Managing overall Council Tax arrears and further developing its recovery procedures, by analysing the employment and income information of individuals provided by HMRC to:-
  o identify customers whose circumstances make them vulnerable and providing appropriate support;
  o contact customers identified as having a propensity to pay and offering them the opportunity to pay, and;
  o recover individual Council Tax debts by Attachment to Earnings Orders for those that still do not engage and are in employment;
  o overall reducing use of Enforcement Agents and associated costs to customers (approximately £75.00 compliance and £235.00 enforcement).

Barnsley Metropolitan Borough Council and Her Majesty's Revenues and Customs are both joint data controllers.

The purpose of the pilot is to gather evidence that the data shared from HMRC will increase the Council's Council Tax recovery rate, and reduce the level of Enforcement Agency referrals.

The DPIA is needed as we will be collecting new information from HMRC to enable Council Tax recovery which may have a significant impact on the individuals concerned, for example:-

- Financially vulnerable individuals may be identified and offered debt support;

- AoE's may be implemented where the individual will have no choice regarding payment of the debt;
- Individuals may be contacted to discuss the new information provided by the HMRC.

This may also raise privacy concerns as this data was originally collected for the purposes of calculating income tax liability.

Step 2: Describe the processing

Describe the nature of the processing: how will you collect, use, store and delete data? What is the source of the data? Will you be sharing data with anyone? You might find it useful to refer to a flow diagram or other way of describing data flows. What types of processing identified as likely high risk are involved?

Barnsley Metropolitan Borough Council will supply to HMRC customer names and addresses for a sample of up to 4,000 Council customers, who are subject to Liability Orders. HMRC will match against HMRC data and matching cases will be supplied to the Council with PAYE and self-assessment data.

The data will be used to enable management and recovery of Council Tax debt, via:-

- Discussions around the use of debt support, where financial vulnerability is identified;
- AOE where employment information has been provided;
- Further discussion with the individual where self-assessment information has been provided.
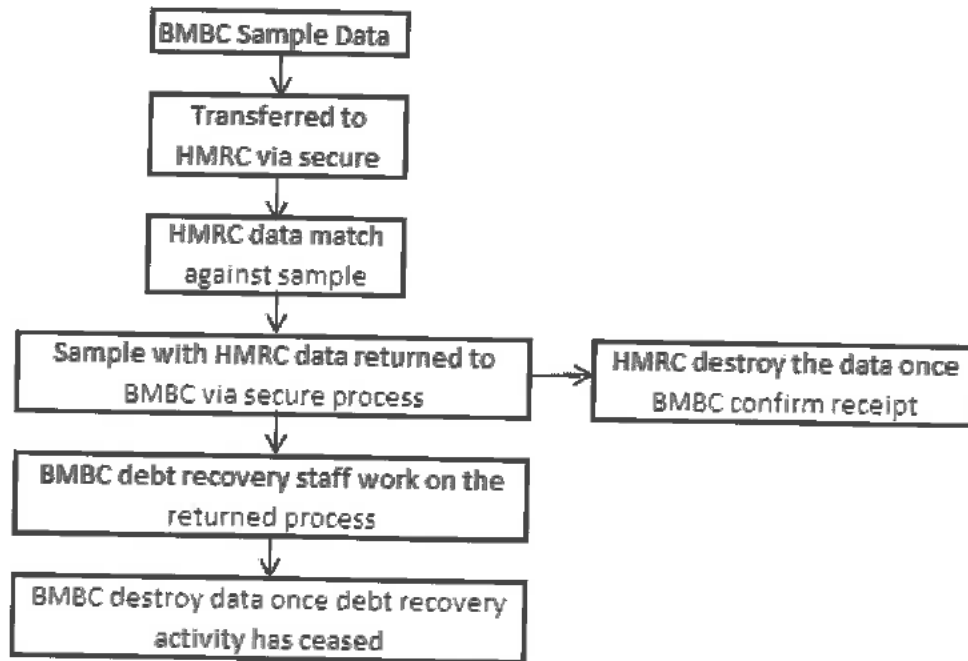
The data will be stored in a secure electronic folder within Barnsley Metropolitan Borough Council.

HMRC will destroy their data once the Council has confirmed receipt.

Barnsley Council will not retain any unprocessed data relating to the project once the pilot has completed. Information passed through the Council's revenues and benefits system (Capita)

will be retained in line with Barnsley Metropolitan Borough Council's Data Retention Policy relating to billing and processing of Council Tax.

The data will not be shared with anyone else.

```
                    ┌──────────────────┐
                    │ BMBC Sample Data │
                    └──────────────────┘
                              │
                              ▼
                    ┌──────────────────┐
                    │  Transferred to  │
                    │  HMRC via secure │
                    └──────────────────┘
                              │
                              ▼
                    ┌──────────────────┐
                    │ HMRC data match  │
                    │ against sample   │
                    └──────────────────┘
                              │
                              ▼
        ┌─────────────────────────────────┐      ┌─────────────────────────────┐
        │ Sample with HMRC data returned  │─────▶│ HMRC destroy the data once  │
        │   to BMBC via secure process    │      │    BMBC confirm receipt     │
        └─────────────────────────────────┘      └─────────────────────────────┘
                              │
                              ▼
        ┌─────────────────────────────────┐
        │ BMBC debt recovery staff work   │
        │     on the returned process     │
        └─────────────────────────────────┘
                              │
                              ▼
        ┌─────────────────────────────────┐
        │ BMBC destroy data once debt     │
        │   recovery activity has ceased  │
        └─────────────────────────────────┘
```

Describe the scope of the processing: what is the nature of the data, and does it include special category or criminal offence data? How much data will you be collecting and using? How often? How long will you keep it? How many individuals are affected? What geographical area does it cover?

The nature of the data is customer name, address and liability order date from Barnsley Metropolitan Borough Council and for matching records and if applicable, PAYE and self-assessment information from HMRC.

There are no special categories or criminal offence data.

A sample of up to 4,000 records will be collected and used. These cases will be selected based on value of arrears outstanding at various stages in the recovery process, in the main being prior to the cases being issued to the Enforcement Agency for collection. This will also include cases where multiple liability orders which relate to one customer, to allow us to target persistent non-payers.

Data sent to HMRC for matching includes:

- Full name:-
    - Title;
    - First name;
    - Middle name or initials;
    - Surname.

- Current address and Post Code;
- Forwarding address and dates;
- Date of commencement of Liability Order;
- Unique identifier.

HMRC will return PAYE and self-assessment data related to employment which will include:

- Employer details;
- Details of payments made from employer; and
- Related data on timeliness of payments.

This is a one off pilot to inform the next phase.

HMRC will destroy the records supplied by the Council after processing, return to the Council and receive confirmation of receipt from the Council.

The Council will keep the data for the duration of the pilot, after which the documents received from HMRC will be destroyed and data which has been used for the purpose of Council Tax collection will remain on our database and will be disposed of in line with the Council's Council Tax Retention Policy.

Up to 4,000 individuals may be affected.

The geographical area covers the predominantly Barnsley Metropolitan Borough Council's boundary, if a debtor with a debt from Barnsley moves to a different area they will be affected.

Describe the context of the processing: what is the nature of your relationship with the individuals? How much control will they have? Would they expect you to use their data in this way? Do they include children or other vulnerable groups? Are there prior concerns over this type of processing or security flaws? Is it novel in any way? What is the current state of technology in this area? Are there any current issues of public concern that you should factor in? Are you signed up to any approved code of conduct or certification scheme (once any have been approved)?

The individuals are deemed liable for Council Tax within the Barnsley Metropolitan Borough Council's boundary.

The individuals concerned are subject to a Liability Order therefore will have no control over the Council's decision to implement an Attachment to their Earnings.

Council Tax is covered by the Local Government Finance Act 1992. Individuals are required to pay their Council Tax and would expect Barnsley Metropolitan Borough Council to pursue recovery of any debt owed to it.

Children are not included.

Known vulnerable people will not be included (such as where the council is aware of severe mental impairment) and HMRC data will also be used to indicate ability to pay (and associated vulnerability). Nevertheless some people that could be perceived as vulnerable may still be affected. There are no prior concerns over this type of processing and security flaws.

It is novel in that this is the first piloted use of data in this manner; however, the use of data sharing to manage and reduce debt is well established throughout the debt industry.

There is no new technology in this area for this type of pilot.

There are no issues of public concern to be factored in.

The Council and HMRC are required to adhere to the Digital Economy Act 2017, DPA 2018 , GDPR LGFA 1992 (as amended) and associated Codes of Practice.

Describe the purposes of the processing: what do you want to achieve? What is the intended effect on individuals? What are the benefits of the processing – for you, and more broadly?

The pilot is aimed at:-

Increasing recovery of Council Tax debt from individuals who have not paid and providing debt support for those individuals identified as financially vulnerable.

The intended effect on individuals will be, for those who are able to pay and choose not to pay, to manage and recover their debt. For those who are identified as vulnerable, the effect will be to help them via debt support. It will also be fairer for those who do pay their Council Tax.

The benefits of the processing are:-

- Identified financially vulnerable debtors can be signposted for assistance within or without the Council;
- Increase in Council Tax debt recovered;
- Increase take up of reliable Attachment of Earnings;
- Increase in debt recovery due to knowledge of customers self-assessment information;
- Reduce failure rate of Attachment of Earnings;
- Reduce need for using Enforcement Agents as a first port of call and increasing debt with fees;
- A fairer approach to reducing debt with ability to pay over a regular period;
- Improve our effectiveness in debt recovery, reducing pressure on budgets;
- Those in regular employment will avoid expensive and stressful Enforcement Agent visits;
- Customers, knowing that we have access to HMRC data, will be encouraged to make arrangements to pay earlier;
- Efficiencies by reducing time/court hearings on committal or insolvency cases;
- Efficiencies on not transferring cases to Enforcement Agents;
- Swifter repayment of debt to the Council.

Step 3: Consultation process

Consider how to consult with relevant stakeholders: describe when and how you will seek individuals' views – or justify why it's not appropriate to do so. Who else do you need to involve within your organisation? Do you need to ask your processors to assist? Do you plan to consult information security experts, or any other experts?

Individuals' views will not be sought for this pilot. The individuals concerned are subject to a Liability Order. The Council already has the power to request employment details from individuals when a liability order has been obtained under Regulation 36 of the Council Tax (Administration & Enforcement) Regulations 1992 and employment details are already held in many cases where an attachment of earnings order has been served. Where a Liability Order has been made, the Council has powers of enforcement under the Council Tax (Administration & Enforcement) Regulations 1992, including the power to make an Attachment of Earnings Order. Individual consultation is therefore not necessary on this occasion.

Additionally the Digital Economy Act 2017 has undergone a public consultation process.

A draft pilot proposal was taken to the Digital Economy Act 2017 Debt and Fraud Information Sharing Review Board for an initial view in November. The Review Board comprises of qualifies subject matter experts in debt and fraud sharing nd analysis from across government, as well as deputies from ICO and other public representative groups. The Review Board advised that the pilot scope in an assessment of vulnerability and consideration of the government's fairness principles. As a result of this feedback, advice was taken from the key debt advice charities and, working alongside HMRC, Local Authorities agreed on a statement on fairness principles.

Within Barnsley Metropolitan Borough Council, the DPO, SIRO, senior decision makers, analysts have been involved.

Processors will be asked to assist in identifying cases to be included in the pilot, and processing the results.

Security, data protection, legal advisors and analyst experts will be involved and consulted.

Step 4: Assess necessity and proportionality

Describe compliance and proportionality measures, in particular: what is your lawful basis for processing? Does the processing actually achieve your purpose? Is there another way to achieve the same outcome? How will you prevent function creep? How will you ensure data quality and data minimisation? What information will you give individuals? How will you help to support their rights? What measures do you take to ensure processors comply? How do you safeguard any international transfers?

The statutory gateway is:-

- Local Government Finance Act 1992
- Digital Economy Act 2017, part 5, Chapter 3.

The lawful basis for processing is the:-

Performance of a task carried out in the public interest or in the execution of official authority vested in the controller.

The processing will achieve the purpose and there is no other way of obtaining the same outcome.

The pilot will adhere to the DEA 2017 and associated Code of Practice, DPA 2018 and LGFA 1992 and the project aim and processing will prevent function creep.

Data minimisation is achieved by adhering to the LGFA 1992, in that only the information supplied by the individual can be supplied to HMRC.

Data quality will be achieved by in-house processing by HMRC to ensure only matched individual data is returned to the Council that reaches HMRC matching criteria.

Information given to the individual will take the form of a Privacy Notice outlining the potential uses that may be made of their data for the purposes of Council Tax collection and in the event of non-payment. The Privacy Notice (www.barnsley.gov.uk/services/information-and-privacy/your-privacy/) will also include details or reference to details of how to exercise data subject rights under the legislation.

The information provided will not be passed to any third parties without lawful basis. No employments details are currently supplied to the Councils third party collectors and there is no intention of including this data. This processing will be used to reduce the number of cases issued to third parties for collection.

Information given to individuals as a consequence of the matching activity will depend on the match data returned by HMRC, and for those with:-

- PAYE data supplied, they will be informed that an AoE will commence;
- Self-assessment data, they will be informed by letter or phone conversation;
- For those identified as financially vulnerable they will be helped by debt support via letter, phone call, email or SMS.

The Council will apply its fairness principles to the pilot.

All staff involved in the pilot have been trained in Data Protection and have signed relevant data security policies.

Data will not be sent outside the UK.
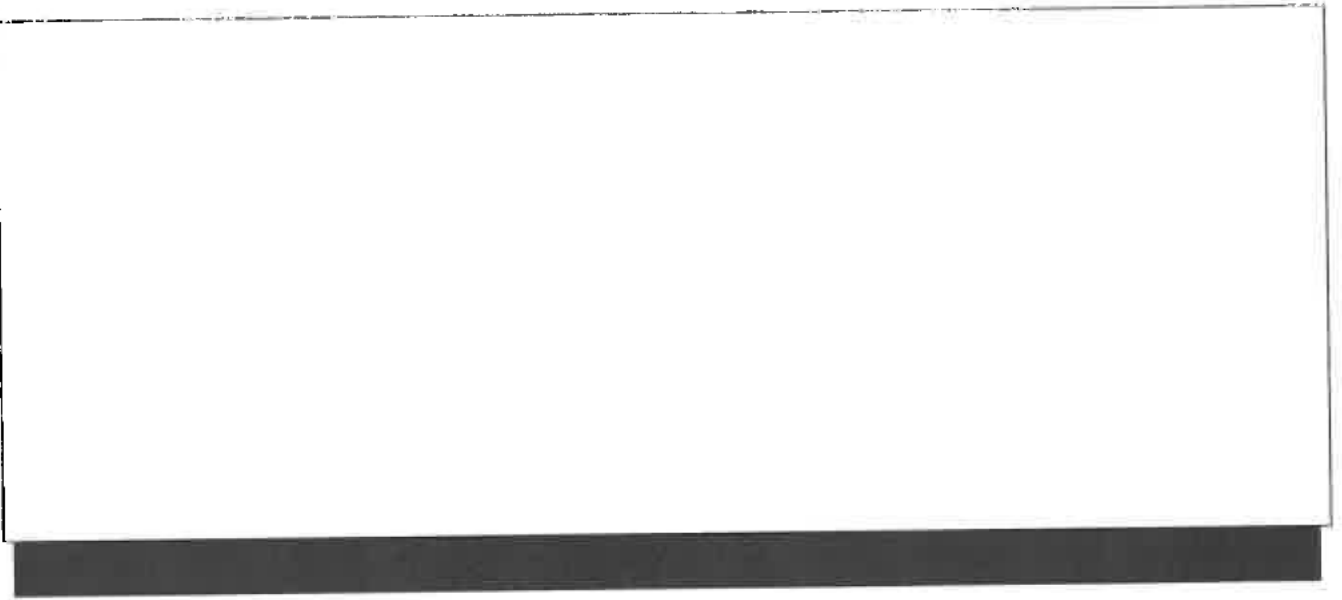
Step 5: Identify and assess risks

Describe source of risk and nature of potential impact on individuals. Include associated compliance and corporate risks as necessary.	Likelihood of harm	Severity of harm	Overall risk
	Remote, possible or probable	Minimal, significant or severe	Low, medium or high
Risk - Data is shared with other Council sections or organisations for which there is no authorisation or legal justification. **Impact** - Possibility of information being shared inappropriately **Compliance and corporate risk -** • Non-compliance with the DPA • Non-compliance with sector specific legislation or standards • Non-compliance with human rights legislation • Non-compliance with the DPA or other legislation can lead to sanctions, fines and reputational damage • Public distrust about how information is used can damage the council's reputation • Data losses which damage individuals could lead to claims for compensation	Remote	Significant	Low
Risk – The data being collected may be considered sensitive as it shows employment details including levels of earnings, self-employment and income **Impact** – Attachments to earnings that are implemented as a result of collecting information about them and possible customer interaction might be seen as intrusive **Compliance and corporate risk -** • Public distrust about how information is used can damage the Council's reputation	Probable	Significant	Medium
Risk – Data concerning vulnerable customers may be divulged to third party advice agencies without authorisation putting individuals at risk **Impact** – Vulnerable people may be particularly concerned about the risks of identification or the disclosure of information **Compliance and corporate risk -** • Non-compliance with the DPA			

• Non-compliance with human rights legislation • Non-compliance with the DPA or other legislation can lead to sanctions, fines and reputational damage • Public distrust about how information is used can damage the Council's reputation • Data losses which damage individuals could lead to claims for compensation	Remote	Significant	Low
Risk – Data held may be out of date **Impact** – If a retention period is not established information might be held for longer than necessary **Compliance and corporate risk -** • Non-compliance with the DPA • Non-compliance with sector specific legislation or standards • Non-compliance with human rights legislation • Non-compliance with the DPA or other legislation can lead to sanctions, fines and reputational damage • Public distrust about how information is used can damage the Council's reputation	Possible	Significant	Medium

Step 6: Identify measures to reduce risk

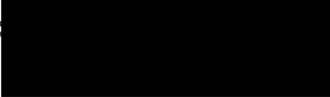| Identify additional measures you could take to reduce or eliminate risks identified as medium or high risk in step 5				
Risk	**Options to reduce or eliminate risk**	**Effect on risk**	**Residual risk**	**Measure approved**
		Eliminated reduced accepted	Low medium high	Yes/no
Data is shared with other Council sections or organisations for which there is no authorisation or legal justification	• A legal gateway for sharing this information has been established • Restrict access to data through system usernames/ passwords • Annual Data Protection training undertaken all existing staff and incorporated in induction procedures for new staff	Reduced	Low	Yes
The data being collected may be considered sensitive as it shows employment details including levels of earnings, self-employment and income details	• Data only used by staff responsible for administering attachment of earnings • legislation prescribes deduction percentages depending on income (section 6 of CT (admin and enforcement) regulations 1992	Reduced	Low	Yes
Data concerning vulnerable customers may be divulged to third party advice organisations without authorisation putting individuals at risk	• Restrict access to data through system usernames/ passwords • Annual Data Protection training undertaken all existing staff and incorporated in induction procedures for new staff • Compliance with data retention periods that apply to service	Reduced Reduced	Low Low	Yes Yes

Data held may be out of date					

Step 7: Sign off and record outcomes

Item	Name/date	Notes
Measures approved by:	Signed: ███████████	Integrate actions back into project plan, with date and responsibility for completion

	Date: 5/2/2019	
Residual risks approved by:	Signed: ███████ ███████ Date: 05/02/19 .	If accepting any residual high risk, consult the ICO before going ahead
DPO advice provided:	Signed ███████ ███████ Date: 5/2/2019	DPO should advise on compliance, step 6 measures and whether processing can proceed

Summary of DPO advice:

As DPO I have been involved in the formulation of the DPIA (and taking into account the various alterations and enhancements) and am satisfied that all reasonable steps have been taken to consider the data protection implications of this initiative. Equally, I am content that the risks identified have been adequately assessed and the mitigating actions in place will have the desired impact on the risks such that they are managed to an acceptable level. On that basis I can support the planned processing of data as set out in the DPIA.

I recommend however that as the pilot progresses, and this DPIA is reviewed, I am consulted again to ensure that all data protection matters are being adequately identified, reviewed and managed accordingly. Such a review will form part of my annual assurances to the Council in relation to data protection compliance.

DPO advice accepted or overruled by:	Signed: ███████ ███████ Date:	Accepted
Comments:		
Consultation responses reviewed by:	Signed: ███████ ███████	If your decision departs from individuals' views, you must explain your reasons

	██████████ Date: 5/2/2019.	14
Comments:		
This DPIA will kept under review by:	Signed: ██████████ ██████████ Date: 5/2/2019.	The DPO will also review ongoing compliance with DPIA