

DPIA – Carmarthenshire County Council and HMRC Digital Economy Act Data Sharing Pilot.

Step 1: Identify the need for a DPIA

Explain broadly what 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.

Carmarthenshire County council has a strategic objective to improve the council tax collection rate.

For 2017/18, Carmarthenshire County council issued approx. 97,000 bills to resident households demanding £92.1M council tax, with an average collection rate of 97.6% (national average is 97.4%), leaving a shortfall of Liability Order debt of £2.3M.

Carmarthenshire County council obtained 6155 Liability Orders at the Magistrates Court, of which over 75% of these liability orders were eventually passed to Enforcement Agents, with only 1.5% 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).

Carmarthenshire County 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:-
 - identify customers whose circumstances make them vulnerable and providing appropriate support;
 - contact customers identified as having a propensity to pay and offering them the opportunity to pay, and ;
 - For those that still do not engage and are in employment, recovering individual council tax debts by Attachment to Earnings Orders
 - overall reducing use of Enforcement Agents and associated costs to customers (approx £372 per customer)

Carmarthenshire County 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 Carmarthenshire County council's council tax recovery rate.

The DPIA is needed as we will be collecting new information from HMRC to enable council tax to enable 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?

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

The data will be used to enable management and recovery council tax debt, via:-

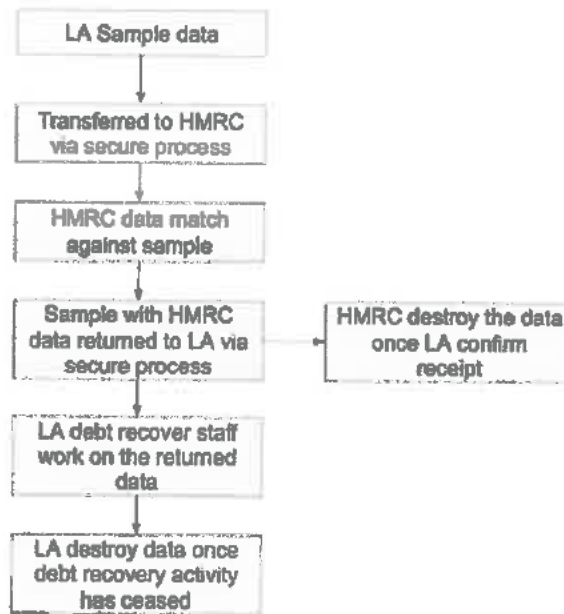
- Where financial vulnerability is identified, discussions around the use of debt support
- AOE where employment information has been provided
- Further discussion with the individual where self-assessment information has been provided

The data will be stored in secure folder within Carmarthenshire County council.

HMRC will destroy their data once Carmarthenshire County council have confirmed receipt.

The data will be held for one year.

The data will not be shared with anyone else.



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 Carmarthenshire County 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. 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

- Employer details;
- Details of payments made from the employer; and
- Related data on timeliness of payments.
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This is a one off pilot to inform the next phase

HMRC will destroy the records supplied by Carmarthenshire County council after processing and provide a deletion certificate to Carmarthenshire County council and confirmation of receipt will be supplied by Carmarthenshire County council.

Carmarthenshire County council will keep the data for the duration of the pilot.

Up to 4,000 individuals may be affected

The geographical area covers Carmarthenshire County council boundary.

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 reside within the Carmarthenshire County council boundary and are liable to pay council tax to Carmarthenshire County council and have not paid.

The individuals will have no control.

Council tax is covered by the Local Government Finance Act 1992 and individuals are required to pay their council tax and would expect Carmarthenshire County council to pursue recovery of their debt.

Children and other vulnerable groups 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 to be 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.

Carmarthenshire County council and HMRC are required to adhere to the DEA Code of Practice, DPA 2018 and LGFA 1992 (as amended).

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 debt support for those individuals identified as financially vulnerable.

The intended effect on individuals will be to for those who are able to pay and choose not to pay is 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 reduces 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 encourage earlier take up in contacting us and making arrangements to pay.
- Efficiency savings by reducing time/court hearings on committal or Insolvency cases.
- Efficiency savings 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 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. Consultation is not therefore 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 qualified subject matter experts in debt and fraud data sharing and analysis from across government, as well as deputies from the 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 a statement on fairness principles.

Within Carmarthenshire County council, the DPO, SIRO, senior decision makers, analysts and debt agents need to be involved.

Processors will be asked to assist.

Security, data protection 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 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 Carmarthenshire County 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 will also include details or reference to details of how to exercise data subject rights under the legislation.

Information given to individual 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

Carmarthenshire County council will apply its fairness principles to the pilot.

All staff involved in the pilot have been suitable trained 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
<p>Risk - Data is shared with other sections or organisations for which there is no authorisation or legal justification.</p> <p>Impact - Possibility of information being shared inappropriately</p> <p>Compliance and corporate risk -</p> <ul style="list-style-type: none"> • 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, possible or probable	Minimal, significant or severe	Low, medium or high
<p>Risk - The data being collected may be considered sensitive as it shows employment details including levels of earnings, self employment and income</p> <p>Impact - Attachments to earnings that are implemented as a result of collecting information about them and possible customer interaction might be seen as intrusive</p> <p>Compliance and corporate risk -</p> <ul style="list-style-type: none"> • Public distrust about how information is used can damage the council's reputation 	Remote	Significant	Low
<p>Risk - The data being collected may be considered sensitive as it shows employment details including levels of earnings, self employment and income</p> <p>Impact - Attachments to earnings that are implemented as a result of collecting information about them and possible customer interaction might be seen as intrusive</p> <p>Compliance and corporate risk -</p> <ul style="list-style-type: none"> • Public distrust about how information is used can damage the council's reputation 	Probable	Significant	Medium
<p>Risk - Data concerning vulnerable customers may be divulged without authorisation putting individuals at risk</p> <p>Impact - Vulnerable people may be particularly concerned about the risks of identification or the disclosure of information</p> <p>Compliance and corporate risk -</p>			

<ul style="list-style-type: none"> • 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
<p>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 -</p> <ul style="list-style-type: none"> • 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
Data is shared with other sections or organisations for which there is no authorisation or legal justification	<ul style="list-style-type: none"> A legal gateway for sharing this information has been established Restrict access to data through system usernames/ passwords GDPR training delivered to all existing staff and incorporated in induction procedures for new staff provided 	<p>Eliminated reduced accepted</p> <p>Reduced</p>	<p>Low medium high</p> <p>Low</p>	<p>Yes/no</p> <p>Yes</p>
The data being collected may be considered sensitive as it shows employment details including levels of earnings, self-employment and income details	<ul style="list-style-type: none"> 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 	<p>Reduced</p>	<p>Low</p>	<p>Yes</p>
Data concerning vulnerable customers may be divulged without authorisation putting individuals at risk	<ul style="list-style-type: none"> Restrict access to data through system usernames/ passwords GDPR training delivered to all existing staff and incorporated in induction procedures for new staff provided 	<p>Reduced</p>	<p>Low</p>	<p>Yes</p>
		<p>Reduced</p>	<p>Low</p>	<p>Yes</p>

Data held may be out of date	<ul style="list-style-type: none">• Compliance with data retention periods that apply to service			
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Step 7: Sign off and record outcomes

Item	Name/date	Notes
Measures approved by:	[REDACTED] 2/11/18	Integrate actions back into project plan, with date and responsibility for completion
Residual risks approved by:	N/A	If accepting any residual high risk, consult the ICO before going ahead
DPO advice provided:	[REDACTED] 29/10/18	DPO should advise on compliance, step 6 measures and whether processing can proceed
Summary of DPO advice: See e-mail from [REDACTED]		
DPO advice accepted or overruled by:	[REDACTED] 2/11/18	If overruled, you must explain your reasons
Comments:		
Consultation responses reviewed by:	[REDACTED] 29/10/18 [REDACTED] 2/11/18	If your decision departs from individuals' views, you must explain your reasons
Comments:		
This DPIA will kept under review by:	[REDACTED] 29/10/18 [REDACTED] 2/11/18	The DPO should also review ongoing compliance with DPIA

