Official - Sensitive
Digital Economy Act 2017 - Formal Submission for
Local Authority and HMRC Business Case v 1.1 - FINAL

Name of Pilot	Data share between Coventry city council LA and HMRC to manage and reduce Council Tax debt
Is this information sharing arrangement for the purposes of managing/reducing debt, combating fraud or both?	Debt
List the specific clause in the DEA Act (2017)	For the purposes of the taking of action in connection with debt owed to a public authority or to the Crown, the Digital Economy Act (2017), part 5, chapter 4, s48
Please confirm which public authority or service provider you represent and which Schedule your organisation is listed in for the purposes of the proposed data share.	Coventry Council, listed on Schedule 7, For District councils – Paragraph 11
Please confirm which other public authorities are party to the proposed information arrangement, and which Schedule(s) they are listed in.	HMRC, listed in Schedule 7, paragraph 8
Review Board Region	England and Non-Devolved
If your information sharing arrangement includes a service provider, please refer to paragraphs 42 and 43 of the Code of Practice	
Please confirm if this is a submission for an informal review or the fully completed submission for Ministerial consideration	Full Submission
Please provide an outline of the information share. Note: you need not detail the counter fraud operations of partners	
This should include: - the objective of the information sharing agreement; - an overview of the activity under the arrangement and how the data will be used; - The period of duration for the arrangement, when the data share will be live and - how retention periods will be managed; and - an outline of what types of data will be shared and the data security arrangements to be put in place.	

At 31 March 2018, the total amount of council tax outstanding in England amounted to £3 billion (cumulative from the introduction of council tax in 1993).

For 2017/18, Local authorities in England collected £27.5 billion, with arrears of £818 million, approximately 3% uncollected.

This business case is specifically for Coventry City Council LA and is part of a submission for a total of 28 other Local Authorities.

Coventry City Council is a metropolitan authority based in the West Midlands and has 140,000 properties within the council tax base.

Coventry Council has a strategic target to improve the council tax collection rate to 96 per cent, as noted in the Council Plan:-

http://www.coventry.gov.uk/downloads/file/11778/one_coventry_plan_council_plan_2016-24

For 2017/18, Coventry issued approx. 140,000 bills to resident households demanding £139M council tax, with an average collection rate of 95.91% (national average is 97.1%), leaving a shortfall of Liability Order debt of £5.6M, before any recovery action.

Coventry City council obtained 19,891 Liability Orders at the Magistrates Court, of which over 75% of these liability orders were eventually passed to Enforcement Agents, with only 2% 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 Liability Order and eventual enforcement action adds significant costs to the customer's debts. The issuance of a liability order adds

Please provide details of how the benefits of the information share will be measured.

This should include:
- the potential benefits the information share could bring; and
- the success criteria for the data share and the methodology you will use to measure success

Potential benefits;
- Increase in Council Tax debt recovered
- Increase of in-year collection rate
- Increase in identification of vulnerable debtors can be signposted for assistance within or without the council, where they engage with the Local Authority;
- Increase in debt recovery due to knowledge of PAYE and self-assessment information
- Increase take up of reliable Attachment of Earnings
- 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 fair 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
- Identify individuals with a propensity to pay and take appropriate recovery action
- Reduce or mitigate problem debt

Success criteria and associated metrics:-
- Number of successful matches from HMRC
- Amount of debt recovered (£)
- Change in in-year collection rate
- Number of cases that were identified as vulnerable due to data from HMRC and referred to internal and external debt support, where they engage with the Local Authority
- Number of AoE Issued
- Number of Attachment of Earnings in payment (over £300 per month income)
- Number of no payment Attachment of Earnings, that the employer did not act upon (to be investigated)
- Decrease in the number of cases that go to enforcement agents
- Comparison of above with control group
- Number of cases where previously unknown income now allowed for effective customer engagement and payment commences
- Number of cases where previously unknown income now allowed for effective customer engagement and enforcement action is taken upon non-payment
- At the end of the pilot consider the impact of the action on individuals and problem debt.

FOR DEBT INFORMATION SHARES

Please include details of how you have considered the Debt Fairness Principles.

The fairness statement summarises the steps we will take to ensure that the way we use the data sharing power is aligned with the fairness principles in section 3.4 of the Code.

Access to this data will allow a more segmented approach to the recovery of Council Tax. The data received will, where possible, form part of an assessment to differentiate between

- those who cannot pay their debts because of vulnerable circumstances or financial hardship;
- those who may be able to pay their debt with additional support
- those with the means to pay but have not paid

All participating Local Authorities will have and apply a policy which takes into account resident vulnerability and financial hardship. The policy includes taking reasonable steps to obtain a resident

affordability assessment based on the Standard Financial Statement (SFS)- the industry recognised standard.

http://www.coventry.gov.uk/downloads/file/19020/council_tax_discretionary_relief_policy

http://www.coventry.gov.uk/counciltaxadvice

Those identified as being in vulnerable circumstances or facing hardship will be treated fairly and where appropriate will be referred to internal and/or external sources of support.

This pilot also aims to reduce the use of more intrusive methods of recovery, which should only be considered as a last resort, e.g use of enforcement agents, bankruptcy and committal to prison.

We will contact individuals informing them of our intention to serve the AoE's, but allow them a 14 day period to engage with the authority before the AoE is served on the employer. This contact will include information that aims to encourage people to alert us to any affordability issues. We will always attempt to conduct an affordability assessment before commencing an AOE.

Where taking such action exposes the debtor to vulnerability, hardship or the possible build up of further debt, we will look again at the Attachment of Earnings and decide if this is the best option at that time by considering varying, withdrawing the order or putting it on hold, as appropriate.

We will consider longer-term payment or other appropriate arrangements for those suffering hardship.

We will abide by our Council Tax debt recovery processes.

We have appended our vulnerability/hardship policies to this business case.

FOR ALL INFORMATION SHARES
Please include a statement showing how you will comply with the Code of Practice.
I/we confirm that this business case and associated documents adheres/complies with the Digital Economy Act (2017) and Information Sharing Code of Practice. This has been demonstrated by the process to complete the business case and associated documents, which include ethical considerations, data security and for debt pilots a statement of how the Fairness Principles have been applied.
Please confirm that the following are in place:-

Senior Leader approval (Senior Responsible Officer)	Yes

Funds are available	Yes
Resources (including staffing) are available	Yes
Supplier contract amendments are in place (if applicable)	N/A
Please add links or embed the following documents	
Debt recovery policy/ strategy	http://www.coventry.gov.uk/downloads/file/11778/one_coventry_plan_council_plan_2016-2
Fairness/vulnerability policy/strategy	http://www.coventry.gov.uk/downloads/file/19020/council_tax_discretionary_relief_policy http://www.coventry.gov.uk/counciltaxadvice
Privacy Notice	http://www.coventry.gov.uk/info/248/freedom_of_information_and_environmental_information_regulations/3179/coventry_city_council_privacy_notice

Persons Involved in Data Share (Coventry City Council)	
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Persons Involved in Data Share (HMRC)	
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Primary Point of Contact (person submitting the business case)	
Name	██████████
Contact number	██████████
E-mail address	████████████████
Job title incl. department and organisation	████████████████████████ ████████ Coventry City Council

Date of submission	24 January 2019