

# SMBC DPIA template – HMRC pilot - Revenues

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This template is required to be used to record your DPIA process and outcome. It follows the process set out in the Information Commissioner’s Office DPIA guidance, and should be read alongside that guidance.

You should start to fill out the template at the start of any major project involving the use of personal data, or if you are making a significant change to an existing process. The final outcomes should be integrated back into your project plan.

## Step 1: Identify the need for a DPIA

**Explain broadly what your 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.**

It is difficult for LA’s to acquire employment details from customers if they choose not to divulge them. The Digital Economy Act 2017 allows permissive powers for Public Authorities to share information to combat fraud and/or reduce debt.

Local Authorities have the power to request and share the data described for the purpose of the taking of action in connection with debt owed to a public authority or to the Crown under the Digital Economy Act 2017 [DEA], part 5, chapter 3 (sections 48 to 55 of the act).

HMRC will return employment/salary details for any records they hold information on.

LA’s will inform customers they hold their employment details and ask them to engage. If customers don’t engage, Attachment of Earnings (AOE) can be set up (instead of referring to Enforcement Agents) or cases signposted as vulnerable.

This will be a 1-year pilot.

**If you are proposing the introduction of a new ICT system or a change to an existing ICT system, does the new/change enable the system to cope with the new Information Rights within DPA2018/GDPR?**

We are not proposing to use a new system.

## 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?

The LA will submit 4,000 debt records to HMRC covering 10 categories:

- Debt £125 - £500
- Debt £500 - £1500
- Debt £1500 - £5000
- Debt over £5000
- Multiple LO's
- Absconds
- Closed accounts
- Left LA area
- Abroad
- Band E & over

HMRC will return employment/salary details for any records they hold information on.

LA's will inform customers they hold their employment details and ask them to engage. If customers don't engage, the LA will contact the employer to determine employment status with a view to execute a liability order obtained by the magistrates court under The Local Government Finance Act 1992 (instead of referring to Enforcement Agents) or cases will be signposted as vulnerable.

Part of the LA's recovery processes already allow for attachment of earnings via normal means. The customer will be made aware of this being a possible course of action prior to the AOE being set up.

[REDACTED]

This information will not be shared with any other third parties.

The Recovery Department already has a retention and disposal policy in place –

[REDACTED]

**Describe the scope of the processing:** what is the nature of the data, and does it include special category or criminal offence data?

**Scope of Processing:**

**Personal information provided to the HMRC will be:**

Title

First Name

Middle Name

Last Name

Current known address

Correspondence Address (if any)

Council Tax Liability start date

Date liability order granted

There is no special category data being shared.

**Personal information provided from the HMRC will be:**

Current HMRC Address

PAYE data, including:-

- Employer Name
- Employer Address
- Employer District Number
- Employer Reference
- Employment Start Date
- Employment End Date
- Employment Pay Frequency
- Payment Date
- Taxable Pay in Period
- Weekly Period Number
- Monthly Period Number
- Payroll ID in this employment
- Individual Address

Self-Assessment data, including:-

- Date SA record set up
- Tax Return date of receipt
- Tax Year
- SA Total Income
- SA Employment Income (Pay from all Employments)
- SA Self-Employment Income (Profit from Self-Employment)
- SA Partnership income (Profit from Partnerships)
- SA UK Pensions and State Benefits
- SA Trust and Estates Income
- SA Foreign Income

- SA Dividends from Foreign Companies
- SA Shares Schemes Income
- SA Profit from UK Land and Property
- SA Dividends from UK Companies
- SA Interest received from UK Bank and Building Societies
- Other Income
- Gains on Life Insurance Policies
- Business Description
- SA Correspondence Address

Tax credit data, including:-

- Tax Credits in payment Y/N
- Child benefit in payment Y/N

Reason for non-match

**Additional Questions:**

What is the estimated volume of data being collected?

4,000 records during a 1 year period

**What is the frequency of sharing (daily, weekly, monthly etc)?**

One-off snap shot to the HMRC with the LA monitoring the success following them supplying the information requested. During the last week of the pilot, information relating to how successful the pilot has been will be returned to the HMRC. This will be in the form of the original spreadsheet with updated information relating to the amount of monies recovered against individual accounts.

**How long will the data be retained for?**

The Recovery Department already has a retention and disposal policy in place –

**What geographical area does it cover?**

Sandwell, West Midlands

**Describe the context of the processing of personal data:** 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)?

**Nature of relationship:**

The Local Authority collects Council Tax on behalf of the Government. Once the liability order has been obtained via the Magistrates Court, and having exhausted all available recovery processes, the LA will use this process in order to affect the recovery of Council Tax Arrears. The customer will not have any control over the collection of their data in this instance as there is a Legal obligation to collect Council Tax. However, the customer will have had a number of opportunities to prevent this method of recovery being enforced.

The customer would not expect the LA to obtain information in this way, however, the Recovery Privacy notices that are in the public domain will be updated to include this as a method of recovery and also, documentation issued to the customer will also inform them in advance of both the potential of and the actual action being taken using this method.

Information relating to children is not shared. At the point of sharing information, there are no known vulnerable groups, however, once identified, we have a process in place to refer the individual to the Welfare Rights Service for support. At this point all recovery action is suspended whilst budgeting support is being provided. Welfare Rights provide a holistic service to maximize the individual's income and expenditure possibilities i.e. budgeting advice, maximizing any benefit entitlement and reducing costs via discounts and finding cheaper alternative service providers, e.g. fuel

There are no concerns over this type of processing or security flaws as data is shared securely.

**What is the current state of technology in this area? For our purposes is it a secure link etc**

The data will be sent via a Government Secure Internet system which the LA already has access to which adheres to the Security Policy Framework .

There are no known issues of public concern to factor in – this is an additional method of debt recovery available to us. [REDACTED]

The LA is signed up to the Citizen's Advice Council Tax Protocol agreement.

**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 Digital Economy Act gives LA's the potential to increase collection rates by working with the HMRC. There are many benefits:

- Reduce Council Tax arrears
- Increase in-year collection rate
- Decrease cost of collection
- More money to spend on services
- Increase AoE take-up
- Reduce failure rate of AoE's
- A fair approach to reducing debt with ability to pay over a regular period
- Identify financially vulnerable and signpost for assistance
- Improved debt recovery reduces pressure on budgets
- Customers avoid expensive & stressful Enforcement Agent visits
- More engagement if customers know we have access to HMRC data
- Efficiency saving - less time/court hearings on committal/insolvency
- Efficiency saving - less cases to Enforcement Agents
- Swifter repayment of debt
- Identify 'Won't Pays' to pursue

Council Tax funds Local Authority Services: an improved collection rate will potentially contribute towards driving down costs of the services provided.

## 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?

Liaison meetings with key stakeholders will take place prior to the snapshot being taken:

- Internal I.T team for access to be granted to relevant officers and training to be delivered
- Citizens Advice Bureau
- Welfare Rights
- Benefits
- Director of Resources (Section 151 Officer)
- Safe-guarding team
- Portfolio Councillor
- Advertisement? Blog? Ollies magazine? Stakeholder liaison officer?

Website will be updated to advise the public that this is a potential course of action

within the Recovery process.

## 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?

### Legal Obligation

Regulation 36 Council Tax (Administration and Enforcement Regulations) 1992 Part 2: Information

(3) Information falls within this paragraph if it is specified in the notice mentioned in paragraph (2)(b) and it falls within one or more of the following descriptions—

- (a) information as to the name and address of an employer of the debtor; .
- (b) information as to earnings or expected earnings of the debtor; .
- (c) information as to deductions and expected deductions from such earnings in respect of the matters referred to in paragraphs (a) to (c) of the definition of “net earnings” in regulation 32 or attachment of earnings orders made under this Part, the Attachment of Earnings Act 1971(1) or the Child Support Act 1991(2); .
- (d) information as to the debtor’s work or identity number in an employment, or such other information as will enable an employer of the debtor to identify him; .
- (e) information as to sources of income of the debtor other than an employer of his; .
- (f) information as to whether another person is jointly and severally liable with the debtor for the whole or any part of the amount in respect of which the order was made.

This process provides the LA with a further mechanism to obtain employment

information for them to be able to enforce the recovery of outstanding Council Tax. There is no other way for us to obtain the information – the customer has either refused to, or ignored the LA's request for this information.

This data will be used solely to aid debt recovery.

Procedural guidance for staff using this data will be created and training will be delivered. Quality monitoring will take place to ensure that officers are compliant with processes.

Customers will be signposted to the relevant stakeholders if they require support. Recovery officers are fully trained in the Council's recovery process. Anyone identified as vulnerable will be supported by the Welfare Rights team and debt recovery will be suspended.



## Step 5: Identify and assess risks

<b>Describe source of risk and nature of potential impact on individuals.</b> Include associated compliance and corporate risks as necessary.	<b>Likelihood of harm</b>	<b>Severity of harm</b>	<b>Overall risk</b>
<p>Sharing of data between the LA and HMRC [REDACTED]</p> <p>Potential hardship when deducting monies direct from salaries</p> <p>Potential for individuals to be in a vulnerable situation that we are not aware of</p> <p>Employer being made aware that the individual has a liability order against them:</p> <ol style="list-style-type: none"> <li>1. Embarrassment factor</li> <li>2. Potential to lose employment</li> </ol>	<p>Remote, possible or probable</p> <p>Remote?</p>	<p>Minimal, significant or severe</p> <p>Severe</p>	<p>Low, medium or high</p> <p>Medium</p>

## 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**

**NOTE: If the residual risk remains as high we have to contact the Information Commissioners Office before we can commence the process/change. Please contact the Council's Data Protection Officer if this is the case. Do NOT contact the ICO yourself.**

Risk	Options to reduce or eliminate risk	Effect on risk	Residual risk	Measure approved
		Eliminated reduced accepted	Low medium high	Yes/no

## Step 7: Sign off and record outcomes

Item	Name/date	Notes
Measures approved by:		Integrate actions back into project plan, with date and responsibility for completion
Residual risks approved by:		If accepting any residual high risk, consult the DPO before going ahead
DPO advice provided:		DPO should advise on compliance, step 6 measures and whether processing can proceed
Summary of IMU advice:		
Summary of DPO advice:		
DPO advice accepted or overruled by:		If overruled, you must explain your reasons
Comments:		
Consultation responses reviewed by:		If your decision departs from individuals' views, you must explain your reasons

Comments:		
This DPIA will kept under review by:		The DPO should also review ongoing compliance with DPIA