

## **DATA USAGE AGREEMENT**

### **Conditions of disclosure of information by HMRC**

HMRC disclose this information to the Local Authorities listed in Annex A by virtue of the legal basis of Section 48 of the Digital Economy Act Disclosure for the purpose "to reduce debt owed to the public sector" on the condition that all 29 of the Local Authorities (LA) listed in Annex A undertake to:

- Complete a Data Protection Impact Assessment
- Adhere to the DEA Code of Practise and complete all relevant documentation and have Ministerial approval
- Adhere to this Data Usage Agreement

A DPIA has been completed by each LA listed on Annex A. A DPIA has been completed by HMRC to go along side this DUA.

At 31<sup>st</sup> March 2018, the total amount of outstanding Council Tax in England stood at £3 billion. (This is a cumulative figure from the introduction of Council Tax in 1993).

For 2017/18, LA's in England collected £27.5 billion, with arrears of £818 million. Therefore approximately 3% remains uncollected.

The purpose of this pilot is to measure the potential yield the LA's could have if they were to use HMRC data for an Attachment of Earnings Order. Alternatively it will confirm what data items are most effective for obtaining accurate address information for those customers who have a Council Tax debt.

#### **Purpose**

The listed Local Authorities have identified that Her Majesty's Revenues and Customs (HMRC) PAYE and Self-Assessment data as potentially useful and could support:-

- managing overall Council Tax arrears and further developing its recovery procedures, by analysing the data provided by HMRC to:-
  - identify customers whose circumstances make them vulnerable and providing appropriate support and appropriate recovery action, where they engage with the Local Authority;
  - for those in employment, recovering individual Council Tax debts by Attachment to Earnings Orders, where appropriate;
  - for those receiving benefits, recovering individual Council Tax debts by Attachment to Benefits Orders, where appropriate;
  - Those who are not identified as vulnerable, undertaking other recovery action, including the use of Enforcement Agents and other legal avenues.
  - Overall reduction of using Enforcement Agents and associated costs to customers.

This is a significant improvement from the current process and allows the LA's to take positive action to recover the debt from those customers who are not engaging in the process and have already been informed of the action the LA may take.

#### **Data Specification**

The area within HMRC who will be carrying out the matching will be Risk and Intelligence Services (RIS). [REDACTED]

28 LA's will send an Excel document to HMRC via email over a secure network. This file will be password protected and the password sent to HMRC via email over a secure network [REDACTED]

[REDACTED] The file will be in the same format ie Excel document. Again file will be password protected and the password sent to HMRC via email over a secure network. The password will be sent in a separate email once HMRC have confirmed receipt. Exactly the same process will be followed for the return of the matched data from HMRC to the relevant LA's. All data will be sent from [REDACTED]

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Each Excel file will contain a maximum of 4,000 debt records. The data items relating to these customers are as follows –

Full Name

- Title
- First name
- Middle name or initial
- Surname

Debt address including postcode

Forwarding address and dates

Local Authority Name

Local Authority Reference Number

Date of commencement of Liability Order

Customer Account Reference Number

RIS DAT will use the customer information to match into connect and RTI. If the address provided by the LA does not match the address held by HMRC, then previous addresses will be used as a match. If the customer information is a successful match, RIS will return the following data items –

#### **PAYE Data**

Current HMRC Address

Employer Name

Employer Address

Employer PAYE reference including District Number

Employment Start Date

Employment End Date

Employment Pay Frequency

Last Payment Date

Pay Period

Payroll ID

Pay Year to Date broken down into –

- Gross
- Net

#### **Self-Assessment Data**

Current HMRC Address

Date SA record set up

Tax Year of last completed SA return

SA Total Income broken down into –

- Taxable Income
- Non – Taxable Income

Income from Trusts and Estates

Income from Dividends from Foreign Companies

Income from UK Land and Property

HMRC will cleanse all data prior to returning the matched information to the relevant LA's. This will ensure data quality and the returned data will meet HMRC standards.

If SCR's are identified, they are removed from the population by CNI prior to any matching being carried out. The only data to be returned to the respective LA's will be where a match has been successful. This will prevent the LA's from being able to identify any SCR's.

All data will be securely transferred via email from a secure email address, will be stored in a secure folder and deleted after completion of the pilot and analysis. The data will be used solely for the purpose of this project and will not be retained for the purpose of any other use.

If a customer clears an outstanding debt following the information received from HMRC, and they fall into arrears in the future, a new request for the same information must be made by the relevant LA.

HMRC will delete the file immediately after the relevant LA has confirmed receipt.

All colleagues employed by the relevant LA will have a business need to access the information. They will be limited to Data Analysts and Debt Recovery Officers. All users within the LA's have signed data disclosure agreements and more recently GDPR training.

Annex A – contains a list of all LA's who will be taking part in this data share.

### **Data Security**

Local Authorities will undertake to:

- Move, process and destroy data securely i.e. in line with the principles set out in HM Government Security Policy Framework, issued by the Cabinet Office, when handling, transferring, storing, accessing or destroying information. Field c
- Only use it for the purposes that it has been disclosed for and ensure that only those with a genuine business need (linked to purpose) to see the information will have access to it
- HMRC will store all data supplied by the LA's in a secure CAF with restricted access to members of RIS who are directly involved in the data share and only keep it for the time it is needed, and then destroy it securely on agreement of all parties.
- Not onwardly disclose the information without the prior authorisation of HMRC other than what is provided for in S48 of the Digital Economy Act.
- Comply with the requirements in the Security Policy Framework, and be prepared for and respond to Security Incidents and to report any data losses, wrongful disclosures or breaches of security relating to information. Field c

- Mark information assets with the appropriate security classification and apply the appropriate baseline set of personnel, physical and information security controls that offer an appropriate level of protection against a typical threat profile as set out in Government Security Classifications, and in particular as set out in the Annex – Security Controls Framework to the GSC.
- All LA's detailed in Annex A have been TLS checked. All but 1 of the 29 LA's passed the checks and have been added to the Whitelist. The LA who has failed TLS checks, has been unable to rectify the issue therefore the data will be transferred [REDACTED]  
[REDACTED] All 28 LA's will be subject to a TLS check again, prior to the data being moved. One LA removed a [REDACTED]. This LA will be moved to the Greylist once the transfer has taken place.

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### **Data File Transfer**

HMRC and the LA's agree to:

- Ensure that the data match input file (data sent by LA's) is sent to RIS at HMRC. The data must be sent by Government Secure Email, password protected, with the password sent independently of the data.
- Ensure that the data match output file is sent by HMRC to the relevant Local Authority contact listed on Annex A. The data must be sent by Government Secure Email, password protected, with the password sent independently of the data.

### **Data Processor and Data Owner**

Local Authorities and HMRC are data controllers and HMRC is acting as Data Processor using definitions as set out in the Data Protection Act 2018.

### **Freedom of Information**

If an FOI request relating to this information is made to the Local Authorities their FOI team will engage with HMRC's FOI team regarding the potential impact of disclosure.

Any disputes or security and data breaches relating to this information transfer should be reported to the contact listed in Annex A.

### **Costs**

HMRC will recharge the 29 Local Authorities for the time taken to provide the data and the governance documents for the LA's to have the relevant data to assist in this project.

The Local Authorities listed in Annex A have confirmed that they have funds available for costs incurred by HMRC for this data share.

### **Disputes**

Rotherham Metropolitan Borough Council	[REDACTED]	[REDACTED]	[REDACTED]
Salford City Council	[REDACTED]	[REDACTED]	[REDACTED]
Sandwell Metropolitan Borough Council	[REDACTED]	[REDACTED]	[REDACTED]
Solihull Metropolitan Borough Council	[REDACTED]	[REDACTED]	[REDACTED]
Southwark Council	[REDACTED]	[REDACTED]	[REDACTED]
Tower Hamlets Council	[REDACTED]	[REDACTED]	[REDACTED]
Wakefield Council	[REDACTED]	[REDACTED]	[REDACTED]
Walsall Council	[REDACTED]	[REDACTED]	[REDACTED]
Wealden District Council	[REDACTED]	[REDACTED]	[REDACTED]
City of Wolverhampton Council	[REDACTED]	[REDACTED]	[REDACTED]

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Ealing Council	[REDACTED]	[REDACTED]	[REDACTED]
Eastbourne Borough Council	[REDACTED]	[REDACTED]	[REDACTED]
Islington Council	[REDACTED]	[REDACTED]	[REDACTED]
Royal Borough of Kensington and Chelsea	[REDACTED]	[REDACTED]	[REDACTED]
Kirklees Council	[REDACTED]	[REDACTED]	[REDACTED]
Lewes District Council	[REDACTED]	[REDACTED]	[REDACTED]
Manchester City Council	[REDACTED]	[REDACTED]	[REDACTED]
Medway Council	[REDACTED]	[REDACTED]	[REDACTED]
Newham Council	[REDACTED]	[REDACTED]	[REDACTED]
North Hertfordshire District Council	[REDACTED]	[REDACTED]	[REDACTED]

**Annex A**

<b>Local Authority</b>	<b>LA Escalation name</b>	<b>LA SRO name and e-mail address</b>	<b>SRO signature</b>
Barnsley Metropolitan Borough Council	[REDACTED]	[REDACTED]	[REDACTED]
Birmingham City Council	[REDACTED]	[REDACTED]	[REDACTED]
Bolton Council	[REDACTED]	[REDACTED]	[REDACTED]
Bradford Metropolitan District Council	[REDACTED]	[REDACTED]	[REDACTED]
Brighton and Hove City Council	[REDACTED]	[REDACTED]	[REDACTED]
Carmarthen shire Council	[REDACTED]	[REDACTED]	[REDACTED]
Cornwall Council	[REDACTED]	[REDACTED]	[REDACTED]
Coventry City Council	[REDACTED]	[REDACTED]	[REDACTED]
Dudley Metropolitan Borough Council	[REDACTED]	[REDACTED]	[REDACTED]

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Any disputes relating to this information transfer should be reported to the LA contact listed in Annex A, [REDACTED] (HMRC), RIS Data Analytics [REDACTED] and, if not resolved, escalated to the LA escalation name in Annex A and [REDACTED] (HMRC), Data Delivery Team, [REDACTED]

Signed by: [REDACTED]

On Behalf of HMRC [REDACTED]

Relevant HMRC Directorate:

28/03/2019

Dated

On Behalf of the following Local Authorities [REDACTED]

Dated