

DPIA East Cambridgeshire District Council, DWP 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.

This is a follow-up pilot to the Council Tax Pilot (DEA/D/1-29) that was in operation from March 19 to March 20. This new pilot involves over 30 local authorities, DWP and HMRC.

Both this new pilot and the first are and were aimed at:

- Increasing the management and recovery of debt by utilising HMRC PAYE and Self-Assessment (SA) data,
- Identifying and supporting vulnerable debtors.

As the country begins to recover from Covid-19, debt recovery action will recommence. Thus, the aims of this pilot are to support public authorities in enacting fair debt recovery programmes, supporting those who can't pay whilst managing and recovering debt from those who can pay.

The first pilot involved 29 local authorities supplying a sample of their Council Tax debtors to HMRC, whereupon HMRC returned the associated PAYE and Self-Assessment data to the local authorities for them to use in managing and recovering debt (via communication with the debtors and by using Attachments of Earnings (AoE) where appropriate).

The first pilot has now ended and the results are being analysed. Early indications suggest it has successfully achieved a Council Tax debt recovery rate of approximately 20%. This new pilot is again limited to Council Tax debtors.

In building upon the first pilot, there are two areas that can be improved upon in launching this second pilot:

- the identification of vulnerability, and,
- the matching rate.

Identification of Vulnerability - In the first pilot, we anticipated that the PAYE and SA information of debtors could indicate their vulnerability. This proved to be erroneous and no determination could be made from either data set.

Matching Rate - The first pilot's matching success rate was 54%. Although this was better than expected, the introduction of additional identification information can increase the match rate significantly, thus increasing the debt recovery rate.

Public Authorities - This second pilot aims to include the following:

Local Authorities, comprising

- a core from the first pilot, and,
- a small selection of those who have expressed a new interest.

DWP - Included as the source for:

- increasing the vulnerability identification, by returning matched debtors in receipt of income-based benefits,
- increasing the matching rate with HMRC, by adding additional identification data (including NINO to debtors it matches).

The data requested from HMRC is:

- Address data
 - to aid communication
- PAYE data
 - to aid segmentation of recovery action
- Self-Assessment data
 - to aid segmentation of recovery action
- Furlough data
 - to aid in the identification of vulnerable debtors

Neither HMRC or DWP is to retain the data beyond its matching operations. Cabinet Office is not to retain the data beyond its collation of the Local Authorities' spreadsheets, its passing of this to DWP and its return of disaggregated information to respective Local Authorities. An MOU will be drawn up between all parties (including East Cambridgeshire District Council, Cabinet Office, DWP and HMRC) prior to the data share under Article 28 of the UK GDPR. Here, the process of transferring the data shall be detailed.

Background of the Authority.

Council Tax is levied on each domestic dwelling within the council's boundary. When payments are not made based on the statutory instalment plan, reminder notices are issued and non-paid amounts are enforced through the Magistrates' Court to obtain a Liability Order. Recovery is based on the regulations enacted by the Local Government Finance Act 1992.

As at 29.01.2021, there are 8,287 Liability Orders totaling in excess of £1.5m outstanding for the five years prior to 31.03.2020.

Details of the steps to recover non-payment are at the following link: [Reminders and Summonses \(angliarevenues.gov.uk\)](https://angliarevenues.gov.uk)

East Cambridgeshire District Council has identified that customer income-based benefit information from DWP and PAYE and Self-Assessment customer information from HMRC is useful and able to support:

- the managing of overall arrears and further developing of recovery procedures, by:
 - identifying customers whose circumstances make them vulnerable and providing appropriate support and appropriate recovery action whereupon they engage with the Local Authority;
 - identifying those in employment and allowing the recovering of individual debts by Attachment to Earnings Orders, where appropriate;
 - identifying forwarding addresses for customers who have moved leaving arrears outstanding;
 - identifying those receiving benefits and allowing the recovering of individual debts by Attachment to Benefits Orders, where appropriate.

This is a significant change from the current process and allows us to take positive action to identify and support vulnerable customers and recover debt from those customers who are not engaging in the process and who have already been informed of the action the Local Authority may take.

East Cambridgeshire District Council, DWP and HMRC are joint data controllers in this pilot using the definition as set out in the Data Protection Act 2018.

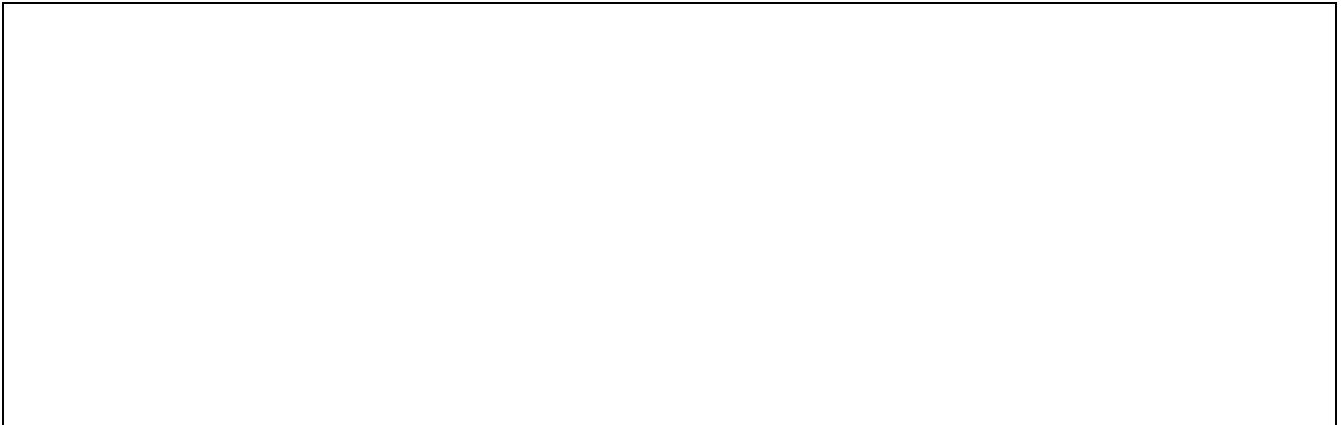
Cabinet Office is a data processor using the definition as set out in the Data Protection Act 2018. Cabinet Office is to be the Data Processor of East Cambridgeshire District Council, DWP and HMRCs data (i.e., the Data Controllers of the pilot).

The purpose of the pilot is to gather evidence that the data shared from DWP and HMRC will increase the identification of vulnerable individuals and increase East Cambridgeshire District Council's Council Tax debt recovery rate.

This DPIA is needed as we will be collecting new information from DWP and 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 benefits and 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?

East Cambridgeshire District Council will supply Cabinet Office, DWP and HMRC with the names and addresses of East Cambridgeshire District Council’s customers with Council Tax debt, plus supporting identification information, (e.g., NINO, DoB, email address and phone numbers) as a one-off data share. DWP and HMRC will match against their data and matching cases will be supplied to East Cambridgeshire District Council with income-based benefits information, PAYE and Self-Assessment data.

The data will be used to enable management and recovery of 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 a secure folder within East Cambridgeshire District Council and Cabinet Office will send this to DWP via secure Government email. DWP will then send the data to HMRC via secure Government email.

Neither HMRC or DWP is to retain the data beyond its matching operations. Cabinet Office is not to retain the data beyond its collation of the Local Authorities’ spreadsheets, its passing of this to DWP and its return of disaggregated information to respective Local Authorities.

The standard data retention period for the pilot is 12 months. However, data that is being used operationally to recover debt (e.g., via an Attachment of Earnings, bankruptcy action or supporting identified vulnerable customers) will be retained in line with East Cambridgeshire District Council’s data retention policies and deleted in accordance with said policies.

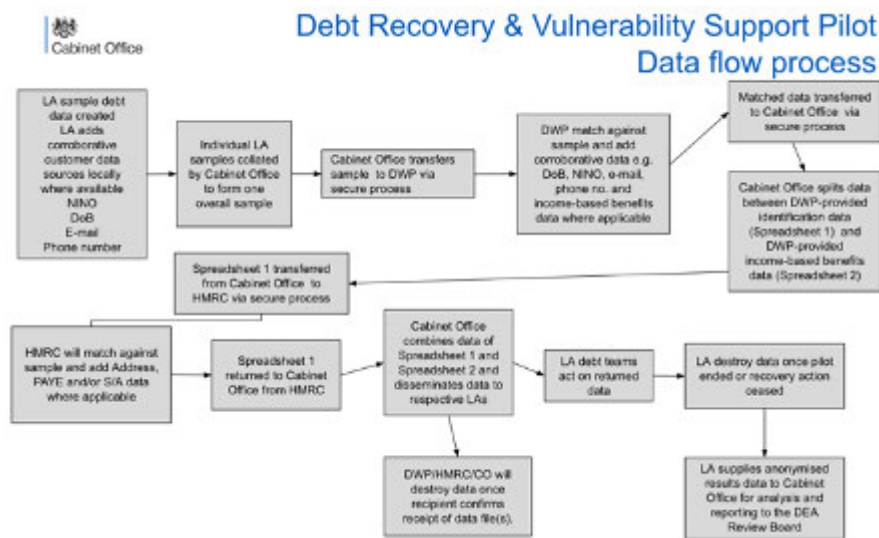
From the information supplied by HMRC, if East Cambridgeshire District Council subsequently has this information confirmed by either the employer or the individual, then that information can be classed as having been supplied via another source (i.e., other than HMRC), then East Cambridgeshire District Council shall be able to retain this data on its systems. However, the data received from HMRC in its raw format shall be deleted at the end of the pilot.

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For HMRC, the pilot data will be deleted one year after the data has been shared with Cabinet Office, except where the data is being used operationally and will be deleted once recovery action has been completed.

The data will not be shared with anyone else.

A data flow process is shown below.



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?

An overview of the activity under the arrangement and how the data will be used:

East Cambridgeshire District Council will undertake a one-off data share as to a reasonable sample of debtors. This sample is to be of an appropriate size in relation to East Cambridgeshire District Council (as may include all debtors contained within our Liability Order dataset). There is no limit to this sample size. This sample is to be shared with Cabinet Office. Cabinet Office will then collate all of the submitted samples from the pilot's Local Authorities into a single document. This collated document will then be passed by Cabinet Office to DWP who will match against their benefits records. For those records matched, DWP will add income-based benefits data and add corroborative customer information (e.g., NINO and/or DoB) and then forward these records to CO. CO will then store the matched DWP data securely and produce a minimised version of the spreadsheet showing only the LA identifiers and personal information and matched DWP personal information, this minimised spreadsheet will then be password protected, and sent to HMRC.

HMRC will then match these customer records against their systems and return the records to Cabinet Office with the associated address, PAYE and/or Self-Assessment information. Cabinet Office will then disaggregate this information and provide the respective samples to each local authority, whereupon East Cambridgeshire District Council shall receive its sample back. No special category or criminal offence data shall be contained within the sample.

The sample will exclude debtors who are;

- in receipt of debt support - full or partial;
- deceased;
- subject to committal and bankruptcy cases;
- companies;
- subject to a current Attachment of Earnings.

A snapshot of data will be taken before being issued to DWP/HMRC for evaluation during and post-action.

Once the data has been returned, East Cambridgeshire District Council will analyse the results from DWP and HMRC and;

For those in receipt of DWP Income-based benefits:

Pass to debt support team for action,
Communicate with the debtor,
If debtor contacted and vulnerability discussed, support offered (where appropriate) and/or payment plan agreed
if no contact, East Cambridgeshire District Council shall continue recovery action

For those in receipt of PAYE:

14-day letter (as per the first pilot) to be issued to the debtor.
If debtor contacted, payment plan or vulnerability discussed
If no contact, East Cambridgeshire District Council shall progress Attachment of Earnings action.

For those in receipt of S/A:

Communicate with the customer noting they are in receipt of S/A
If debtor contacted, payment plan or vulnerability discussed.

If no contact, East Cambridgeshire District Council shall continue recovery action.

An outline of what types of data will be shared and the data security arrangements to be put in place:

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There are no prior concerns over this type of processing and security flaws.

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.

East Cambridgeshire District Council, Cabinet Office, DWP 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?

What do you want to achieve?

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.

What is the intended effect on individuals?

The intended effect on individuals will be 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.

What are the benefits of the processing – for you, and more broadly?

The benefits of the processing are: -

- Increased debt recovered
- Increased in-year collection rate
- Increased identification of vulnerable debtors, as can be signposted for assistance within or externally of the East Cambridgeshire District Council, where they engage;
- Increase in debt recovery due to knowledge of PAYE and Self-Assessment information
- Increase in take-up of reliable Attachment of Earnings
- Reduced failure rate of Attachment of Earnings
- Reduced need for using enforcement agents as a first port-of-call and the increasing of debt with fees.
- A fair approach to reducing debt with an ability to pay over a regular period.
- Improved effectiveness in debt recovery and thus reduced 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 East Cambridgeshire District Council and deciding 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
- Identification of individuals with a propensity to pay and take appropriate recovery action
- Reduced or mitigated problem debt

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?

Describe when and how you will seek individuals' views – or justify why it's not appropriate to do so.

Individual's views will not be sought for this pilot, East Cambridgeshire District 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.

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?

Within East Cambridgeshire District Council, the DPO, SIRO, senior decision makers, analysts and Council Tax Collection staff 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 lawful basis is under GDPR Article 6 (e) Public task: the processing is necessary for you to perform a task in the public interest or for your official functions, and the task or function has a clear basis in law.

In making this determination, we have consulted the Information Commissioner Officer website and this section specifically and have completed their on-line interactive tool.

The legal basis for the establishment and operation of the pilot, and the analysis of personal data within it, is covered by Part 5, chapter 3 of the Digital Economy Act 2017. This provides powers for government departments / organisations to share information 'to take action in connection with debt owed to a public authority or to the Crown' (Chapter 3).

Section 48(3) of the DEA provides that acting in connection with a debt owed to a public authority includes identifying debt.

Does the processing actually achieve your purpose?

Yes, the pilot is anticipated to achieve the purpose.

Is there another way to achieve the same outcome?

No other way to achieve the same outcome has been identified.

How will you prevent function creep?

We will avoid function creep by adhering to the remit of this DPIA, DEA business case and the data usage agreement and then performing only the analysis necessary to provide the required level of understanding.

How will you ensure data quality and data minimisation?

We will ensure data quality will be ensured by using well-proven matching routines in the analysis, supported by manual review of the results to check for any error. Should any be found then the analysis will be re-run before any results are made available.

East Cambridgeshire District Council will ensure data is minimised to only the data required to ensure a confident match is made.

Only individuals' names and identification data (minimised) will be supplied to the DWP and HMRC.

What information will you give individuals?

None.

How will you help to support their rights?

Their rights will be supported by ensuring that the processes and data used will be in line with DPA, GDPR and DEA Code of Practice requirements.

Their rights will be supported by ensuring that the processes and data used will be in line with DPA, GDPR, the ICO Code of Practice and DEA Code of Practice requirements.

Individuals may request a copy of their personal information (commonly known as a "data subject access request") by contacting their council.

This enables them to receive a copy of the personal information held and to check that it is being processed lawfully.

Information given to the individual will have taken 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 have included 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 DWP and HMRC, and for those with: -

- Income based benefits
- 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

East Cambridgeshire District Council will apply its fairness principles to the pilot.

What measures do you take to ensure processors comply?

All staff have to comply with the above requirements and also staff are trained in DPA and GDPR requirements.

There are criminal sanctions for unauthorised disclosure of HMRC data.

The staff at each authority receiving, processing and transmitting the data are limited to IT data extractions and data analysts and their immediate managers. All such users sign data disclosure agreements before system access is granted. All staff have had DPA and lately GDPR training.

Staff at HMRC receiving, analysing and disclosing data are limited to data analysts and processors, within the Knowledge, Information and Analysis team. These staff have been security trained.

How do you safeguard any international transfers?

No international transfers will be required as part of the pilot.

Step 5: Identify and assess risks

<p>Describe source of risk and nature of potential impact on individuals. Include associated compliance and corporate risks as necessary.</p>	<p>Likelihood of harm</p>	<p>Severity of harm</p>	<p>Overall risk</p>
<p>Risk - Data is shared with other sections or organisations for which there is no authorisation or legal justification. Impact - Possibility of information being shared inappropriately 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 	<p>Remote, possible or probable</p>	<p>Minimal, significant or severe</p>	<p>Low, medium or high</p>
<p>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 -</p> <ul style="list-style-type: none"> • Public distrust about how information is used can damage the council’s reputation 	<p>Remote</p>	<p>Significant</p>	<p>Low</p>
<hr/>	<p>Probable</p>	<p>Significant</p>	<p>Medium</p>

<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 	<p>Remote</p>	<p>Significant</p>	<p>Low</p>
<p>Risk – Data held may be out of date</p> <p>Impact – If a retention period is not established information might be held for longer than necessary</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 	<p>Possible</p>	<p>Significant</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				
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 	Eliminated reduced accepted	Low medium high	Yes/no
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 	Reduced	Low	Yes
Data concerning vulnerable customers may be divulged without	<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 	Reduced	Low	Yes

<p>authorisation putting individuals at risk</p> <hr/> <p>Data held may be out of date</p>	<ul style="list-style-type: none">• Compliance with data retention periods that apply to service	<p>Reduced</p>	<p>Low</p>	<p>Yes</p>
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Step 7: Sign off and record outcomes

Item	Name/date	Notes
Measures approved by:	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	Integrate actions back into project plan, with date and responsibility for completion
Residual risks approved by:	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	If accepting any residual high risk, consult the ICO before going ahead
DPO advice provided:	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>	DPO should advise on compliance, step 6 measures and whether processing can proceed
<p>Summary of DPO advice:</p> <ol style="list-style-type: none"> 1. I consider that this DPIA identifies adequate measures to make the personal data processing compliant with the GDPR Principles in Art. 5 1(b) to 1(f). 2. In relation to GDPR Principle in Art. 5 1(a) “Lawfulness, fairness and transparency”: <ol style="list-style-type: none"> a. The DPIA identifies a lawful basis for the processing. b. While data subjects might experience adverse effects from the processing this would not make the processing unfair given the substantial public interest in the proper collection of taxes. c. The East Cambridgeshire District Council privacy notice for council tax refers to “government bodies” as sources of personal data but the examples given do not include DWP and HMRC. I would recommend amending this to refer to HMRC explicitly. d. A review of letters sent to council tax debtors to consider inclusion of a reference to HMRC might be advisable. 3. I am satisfied that the risk mitigation measures and the assessment of low residual risk is appropriate and the processing can therefore proceed. 4. If the project moves from pilot to business-as-usual the DPIA should be reviewed in light of the pilot outcomes and I would recommend also drawing up a formal information sharing agreement. 		

DPO advice accepted by:	<p>██████████</p> <p>██████████</p>	If overruled, you must explain your reasons
Comments:		
Consultation responses reviewed by:	n/a	If your decision departs from individuals' views, you must explain your reasons
Comments:		
This DPIA will kept under review by:	<p>██████████</p>	The DPO should also review ongoing compliance with DPIA