



## Policy and Resources Committee

19 July 2022

<b>Title</b>	<b>Response to Members Item in the name of Councillor G Cooke – 8 February 2021 and 30 September 2021</b>
<b>Report of</b>	Chair of Policy and Resources Committee
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Annex A – Revised Process
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### Summary

In a report to the committee on 30 September 2021 it was agreed that the council with Capita, would carry out a full data matching exercise across various services and data sets and report back to the committee the findings.

The Local Land and Property Gazetteer (LLPG) used by the council had been rated as gold standard as of August 2021 (99.997% accuracy), this gives confidence that new properties in the main are known to the council.

However, analysis of this data match identified 301 properties (24.55%) out of 1,226 which although known to the council were not known to the council tax team. Had this matching exercise not been carried out there was potential that the council would have lost in year collectable income of £0.403m in 2021/22 and £0.407m in 2022/23 when assuming all would be Band D rated dwellings.

The data matching exercise will now be conducted every 6 months to ensure annual completeness of the council tax list.

## **Officers Recommendations**

- 1. Policy & Resources Committee note the findings and the commitment to carry out 6 monthly data matches going forward.**

### **1. WHY THIS REPORT IS NEEDED**

- 1.1 In response to a members item submitted by Cllr G Cooke to the 8 February 2021 meeting of this Committee officers agreed to review the current processes for establishing and monitoring new builds or changes to dwellings that could result in a property being banded for Council Tax. Robust processes maximise income for the authority but also ensures fairness between residents.
- 1.2 Officers reported back to this Committee on 30 September 2021 to confirm that following the members enquiry, a full review of the inspection process had been undertaken, resulting in a revision to existing processes and introduction of new measures (see annex A). Officers agreed at that meeting that a data matching exercise would be carried out with other council services and data sets to identify any potential missed dwellings.
- 1.3 This report provides the findings of the data match.

### **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The data matching identified properties the council tax team were unaware of.
- 2.2 Regular 6-monthly data matching exercises will improve the completeness of Council Tax lists and support the council's statutory obligations in setting a balanced budget through maximising the income generated through local taxation.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

### **4. POST DECISION IMPLEMENTATION**

- 4.1 In line with the draft MTFS and final budget setting a 6 monthly data match will occur in June and December each year, across relevant service areas and data sets, with the council tax team following up any that were not previously known to them.
- 4.2 The 301 properties that were not known to council tax are in the process of being worked on with some now referred to the Valuation Office Agency (VOA) for banding, and others being investigated further to obtain relevant information for the VOA and the liable parties.
- 4.3 Following completion of the work required to get the 301 properties banded work will commence to refine the process at Annex A and reduce the risks outlined within it.
- 4.4 No further updates will be brought back but work will continue to happen to implement the recommendations and continuously improve the process.

### **5. IMPLICATIONS OF DECISION**

- 5.1 **Corporate Priorities and Performance**

- 5.1.1 As and when issues raised through a Member's Item are progressed, they need to be evaluated against the Barnet Plan 2021-25, and other relevant policies.
- 5.1.2 This report is written in the context of the four Barnet Plan priorities:
- Clean, safe and well run
  - Thriving
  - Healthy
  - Family Friendly
- 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
- 5.2.1 The Council has budgeted to collect £203.73m for Council Tax in 2022/23. A Band D property incurs a charge of £1,350.70.
- 5.2.2 For scale, every 100 properties, at Band D, that are unknown and not charged is a risk to the council's funding to the value of £0.135m. Therefore, every multiple of 1,000 properties at Band D is a risk of £1.351m.
- 5.2.3 As a mitigation to the risks above, the council tells the VOA of the earliest date it can evidence the property was complete and therefore liable for Council Tax. The VOA will then band the property from that date (and backdate if applicable, there is no limit to backdating in respect of Council Tax banding).
- 5.2.4 If the notification is later than it should be, then banding will be backdated. The developer/resident will therefore be liable to pay Council Tax from the start date. The VOA will send confirmation of the banding to the resident/developer, providing appeal rights if they disagree. There is no time limit to how far back the council can backdate a liability so long as the VOA agree the date is true and fair.
- 5.2.5 The ability to backdate the liability mitigates against any lost income to the council from these 301 properties. However as backdated liability will result in a tougher strain on those due to pay, this does make it harder to collect, so bad debt provisions will be considered for adjustment at year end to reflect this position against the wider collectible debit.
- 5.2.6 As these 301 properties were not known to the council tax team this means they have not been included in the MTFS and as such this will increase the council tax base for future calculations and budget setting. The additional data matching exercise will also support Council Tax base calculations going forward to ensure the council sets a suitable Council Tax Requirement supporting expenditure activity in line with its strategies, policies and plans.
- 5.3 **Legal and Constitutional References**
- 5.3.1 The Council's Constitution (Members of the Council, Article 2) states that a Member, including appointed substitute Members of a Committee or Sub-Committee will be permitted to have one matter only on an agenda that he/she serves. Members' items must be within the term of reference of the decision-making body which will consider the item.
- 5.3.2 Under Article 7 of the council's Constitution (Committees, Forums, Working Groups and Partnerships) Policy & Resources Committee is responsible for finance, including treasury management and local taxation.
- 5.3.3 The Council Tax (Administration and Enforcement) Regulations 1992 provide for the

administration and enforcement of council tax in England and Wales under the Local Government Finance Act 1992 and related matters, including obtaining information from residents, public bodies, and information obtained under any other statutory power.

5.3.4 All data matching activity must comply with the UK GDPR and Data Protection Act 2018 so far as the data constitutes personal information. There are likely to be several lawful basis for the processing of any personal data in connection with these data matching exercises, including the council needs to process the personal data to comply with a statutory obligation to administer and collect council tax, and that the council is exercising official authority to carry out public functions and powers that are set out in law and that it is performing a specific task in the public interest that is set out in law. Appropriate privacy notices should be in place advising people that their data may be used in this way.

## 5.4 **Insight**

5.4.1 The LLPG used by the council has been rated as gold standard (99.997% accuracy, equating to 4 records unknown), this gives confidence that new properties in the main are known to the council.

5.4.2 In addition to the new processes introduced, the council, with Capita, will now undertake a full data matching exercise across various services at 6 monthly intervals; this exercise will include the following:

- Matching exercise between Council Tax records and LLPG,
- Matching exercise against Parking data (where data is available).
- Matching exercise against Planning information (where data is available).
- Process map to be created from receipt of a planning application through to CTAX/Business Rates being notified, including all stages in between such as Street Name and Numbering notifying the LLPG team.
- Ongoing process review with relevant departments involved in the process; to be reviewed regularly for service improvement.

5.4.3 The exercise will identify any properties that are not currently banded by the VOA or under inspection by Barnet's own inspection team.

5.4.4 No data matching between Electoral Registration or Royal Mail Address Finder data is required as their data is driven by the LLPG.

## 5.5 **Social Value**

5.5.1 None in the context of this report.

## 5.6 **Risk Management**

5.6.1 The lack of clear processes around the inspection process and ultimately collection of Council Tax could result in a significant loss of revenue for the council.

5.6.2 The changes to existing processes and introduction of new measures enables properties to be brought into the council tax list at the earliest opportunity and therefore maximise Council Tax collection within Barnet.

5.6.3 Further mitigations are outlined earlier in 5.2.3 regarding backdating ability for banding and billing retrospectively to developers/residents where necessary.

## 5.7 **Equalities and Diversity**

5.7.1 Members' Items allow Members of a Committee to bring a wide range of issues to the attention of a Committee in accordance with the Council's Constitution. All these issues must be considered for their equalities and diversity implications.

## 5.8 **Corporate Parenting**

5.8.1 None identified in the context of this report

## 5.9 **Consultation and Engagement**

5.9.1 None in the context of this report.

## 6. **BACKGROUND PAPERS**

6.1 Policy and resources Committee, 8 February 2021, Item 6, Members item - <https://barnet.moderngov.co.uk/documents/s63175/Members%20Item.pdf>

6.1.1 Policy and Resources Committee, 30 September 2021, Item 7, Members item - [A4 Letterhead \(moderngov.co.uk\)](#)

