



## **Technical guidance note**

### **The use of personal information held for collecting and administering Council Tax**

This guidance explains the Commissioner's approach to the advice given to councils on the use of personal information collected for the administration of Council Tax. It aims to explain when and how this information may be used for other purposes.

The Council Tax was introduced in 1993. Since then, we have received many enquiries about whether information collected for the administration of Council Tax can also be used for other purposes. For example, many local authorities have asked us whether Council Tax information can be used to populate a customer relationship management database.

The guidance that we issued previously about this was based on the law in force and the legal advice that we commissioned at the time. However, we are aware of subsequent changes in the law and later legal advice that takes a far less restrictive approach. We have also recently begun a review of our general policy approach to public bodies' use and sharing of personal information. This guidance reflects the new approach.

#### **Powers and lawfulness: our approach**

We cannot provide any assurance that a local authority using Council Tax information for other purposes will not be acting unlawfully by exceeding its powers. Authorities that are in doubt about this should seek their own legal advice. However, we can explain the circumstances in which the Data Protection Act 1998 (the Act) limits the wider use of Council Tax information. In particular, we can explain the circumstances in which we will use our statutory enforcement powers to prevent a particular use of Council Tax information.

The purpose of data protection law is to give rights and protections to individuals. Our main concern is the effect that the use or sharing of information will have on the people the information is about. We will not use our enforcement powers unless there is evidence of genuine unfairness or unwarranted detriment being caused to individuals. If a local authority has a legitimate reason for using Council Tax information in a particular way, one that will not result in genuine unfairness or unwarranted detriment, we will not use our enforcement powers to prevent this.

#### **Deciding how to use Council Tax information**

Before using Council Tax information for other purposes, the local authority holding it should consider all the following questions. These questions also

reflect the criteria that we will use to decide whether to take action in response to a local authority's use of Council Tax information.

- 1 Is it necessary for the local authority to use the information to carry out its statutory functions?

Local authorities have a duty to provide a wide range of services to the public. In general, the rules of data protection will not prevent a local authority using the information it holds to administer the services it is required to provide. In normal circumstances, a local authority may only use or disclose Council Tax information for a purpose that falls outside the limits of its statutory responsibility if it seeks and obtains consent for this. An exception to this is where a failure to disclose personal information would be likely to prejudice a purpose such as crime prevention.

We do not consider 'necessary' to mean a local authority cannot use Council Tax information to provide a service in a different way, or to provide a new service to the public. However, any use of Council Tax information must be a proportionate response to a particular issue. The following questions will help to assess this.

- 2 If Council Tax information is used for another purpose, what effect will this have on the people the information is about?

Information collected for Council Tax purposes contains key information such as a relatively complete and up-to-date list of local residents' names and addresses. It is difficult to see how a local authority's use of such information to carry out its statutory functions would be either unfair or detrimental. We take the view that individuals are likely to expect their local authority to use the most current and complete information available to it to administer its services.

Local authorities should be aware that some name and address information, for example, that relating to members of vulnerable groups, is particularly sensitive and should not be used or disclosed if to do so would put any individual at risk of harm.

- 3 Would using the information cause unwarranted detriment to any individual?

By 'detriment' we mean harm, damage or distress. Detriment could be caused where, for example, a local authority uses information about an eligible job applicant, that they once 'disregarded' for Council Tax payment purposes on the grounds of imprisonment, to prevent that person taking up employment with them.

It is extremely important for a local authority to only use Council Tax information, and all the other personal information it holds, in a fair and responsible manner.

- 4 Would using the information for another purpose benefit those the local authority provides services to?

'Benefit' can take a number of forms. It could mean, for example, providing services that are based on more efficient use of public money or that are easier for individuals to use. A good example of benefit would be using Council Tax information to set up a system that would stop individuals having to provide their contact details separately to all the various parts of the local authority.

- 5 Is the information particularly sensitive?

The sensitivity of information is not determined purely by its nature, but also by the context in which it is held. For example, the names and addresses of individuals can become sensitive if linked to their eligibility for asylum seekers' food vouchers. The names and addresses of certain members of the population can be particularly sensitive and this must be reflected in the protection they are given and what they are used for.

Some information collected by local authorities for Council Tax purposes is in itself extremely sensitive, for example, that showing that someone is 'disregarded' for payment purposes on the grounds of imprisonment or detention under the Mental Health Act. Such information must not be used for any other purpose than assessing whether a person is 'disregarded'.

Banking details provided so that a local authority can collect Council Tax payments may only be used for purposes directly connected to the administration of the Council Tax.

- 6 Will the information be adequately protected from improper use or disclosure?

Sharing Council Tax information within a local authority means that more people will have access to it and so there is a greater risk of it being misused or improperly disclosed. Any local authority wanting to make wider use of the information that it collects to administer Council Tax must put clear, authoritative rules in place to make sure the information remains adequately protected from misuse or improper disclosure. For example, it should be a disciplinary offence for employees with access to the information to abuse their access rights. The unlawful disclosure of personal information is a criminal offence under the Act.

- 7 Is there an alternative to sharing information in a form that identifies individuals?

In many cases, for example, where a local authority is planning its provision of future services, there will be no need to use information in a form that identifies people. For example, a local authority planning transport services for the elderly may need to know the numbers of people above a certain age living in a particular area. Its transport planners would not need to know who

those people are. Wherever possible, privacy enhancing techniques such as the anonymisation or aggregation of information should be used to prevent the unnecessary use or disclosure of personal information.

### **More information**

If you need any more information about this or any other aspect of data protection, please contact us.

Phone: 08456 30 60 60  
01625 54 57 45

E-mail: please use the online enquiry form on our website

Website: [www.ico.gov.uk](http://www.ico.gov.uk)

8 Do individuals understand how the local authority will use their information?

Transparency is a key protection for individuals where greater use is being made of information about them. It allows them to understand how their information is being used, and to complain if they object to this. Local authorities must explain their uses and disclosures of information, for example, when the annual Council Tax bill is sent out. They should also use all the other means available to them to provide this information, for example, notices on the relevant part of their website. Local authorities should also include any relevant information in the publication schemes they are required to maintain under the Freedom of Information Act 2000 or the Freedom of Information (Scotland) Act 2002.