

CIPFA Local Government Faculty

Response to the consultation

Improving Efficiency of Council Tax Collection

2015

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications are the foundation for a career in public finance. They include the benchmark professional qualification for public sector accountants as well as a postgraduate diploma for people already working in leadership positions. They are taught by our in-house CIPFA Education and Training Centre as well as other places of learning around the world.

We also champion high performance in public services, translating our experience and insight into clear advice and practical services. They include information and guidance, courses and conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management and good governance. We work with donors, partner governments, accountancy bodies and the public sector around the world to advance public finance and support better public services.

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General

This response is submitted through the CIPFA Local Government Faculty which

- Develops CIPFA's responses to government policies, working with CIPFA panels and senior staff.
- Works closely in collaboration with other organisations to support strong financial management and the delivery of a high standard of governance.
- Supports Local Government through the delivery of advisory, statistical and consultancy services to drive efficiency and support transformation.

CIPFA is happy to offer support to the department as it develops of this agenda.

Over View Response

The faculty welcomes the opportunity to respond to this consultation. We believe that any improvement in data sharing that allows local authorities to become more efficient should be welcomed. However, it is important to recognise any additional cost that might have to be invested in order to release the potential efficiency benefits. CIPFA would ask the DCLG to be mindful of the challenging financial budgets currently faced by local government.

Specific responses

Question 1

1.1. Currently following a liability HMRC can share employment data on council taxpayers in arrears where the tax payer is receiving a reduction through the Local Council Tax Support Scheme. Do you agree that it would be beneficial to extend that approach so that it covers all council tax payers?

1.2 CIPFA would welcome additional data sharing for the purpose of council tax collection. Council tax is an important part of the income generated for local government and therefore the maximisation of collection is important for the stability of the budget and the delivery of public services.

Question 2

2.1 Are there other legislative or data barriers to efficient council tax collection that if addressed would reduce the burden on council taxpayers? Where possible please supply evidence of the reduction

2.2 There are a number of ways that we consider would reduce the burden on council tax payers and increase the efficiency of council tax collection. We appreciate that some of these are more important than others:

- The ability to make an attachment to benefit without a liability order would be of benefit to both the authority and the tax payer. This would avoid the cost of a liability order which increases the burden on the tax payer. It would also save resources for the authority.

- The changes contained within the Enterprise Bill are welcome but they could be extended to support the local authority to collect council tax more efficiently. The VOA collects information such as the identity of the occupiers, the name of the owners and plans of the property. However, this information is not currently available to the local authority.
- VOA staff are only able to disclose information in limited circumstances and as a result officers at the VOA are prevented from sharing the information they collect about properties and ratepayers with local government. This means that individuals have to provide the same information twice to the VOA and local government. It can also mean that the properties have to be inspected by both the VOA and the local authority. The restrictions on data sharing are contained in the Commissioners for Revenue and Customs Act 2005
- The interim findings published in December 2014 by central government acknowledged that the lack of data sharing between the VOA and local government was a barrier for business rates. The Enterprise Bill should offer an opportunity to extend this data sharing to council tax which would be welcomed.
- If local authorities were able to trace debtors through sharing information on the DWP system this would increase the amount of arrears collected and may act as deterrent for those with a record of non-payment in short term tenure accommodation.
- Indirectly the collection of council tax would be made more efficient if there was some flexibility with the use of data for the purpose of awareness campaigns. Publicity to advertise take up of school meals or the availability of additional support following a benefit change would be made easier if the data sharing rules between departments allowed for data exchange for this purpose.
- With the introduction of targeted support for the individual this more holistic approach allowing inter service data sharing could result in the longer term in better collection rates. This may even be through the delivery of a more accurate initial bill.

Question 3

3.1 Are there any data collections or sharing issues that the Government could usefully clarify or address?

3.2 With the increasing emphasis on combined authorities and cross authority working it will be important to ensure that there should be no barriers for the transfer of data between districts and counties.

3.3 CIPFA has engaged its members in this consultation through the CIPFA Revenues Network and will continue to ensure its members are aware of any developments that improve the efficiency of council tax collection.

