CITY OF WOLVERHAMPTON COUNCIL

Response to Request for Information

Reference FOI 001686
Date 13 November 2017

Business Rates

Request:

Under the Freedom of Information Act 2000 please can you provide me with the information in relation to business rates accounts in your area: (Please note: we are not requesting data of any companies that are a sole trader or an individual and only require information relating to Limited companies).

(a) Addresses of all commercial properties that currently have a credit on their account above £1,000?
(b) The names and addresses of the ratepayer of the property referred to in (a) if they are NOT a sole trader or individual?
(c) The amount by which the account is in credit?
(d) The rating year that the credit arose?
(e) The date the information was generated from your system?

This request is being handled under the Freedom of Information Act 2000. I can confirm that City of Wolverhampton Council holds the information you requested. However, we are withholding that information since we consider that the following exemption apply to it.

This information is exempt from disclosure under Section 31(1)(a) - Law Enforcement. Disclosure of this information would be likely to prejudice the prevention or detection of crime.

Section 31(1)(a) is a qualified exemption, and therefore is subject to the Public Interest Test. Section 31(1)(a) provides an exemption where prejudice could be caused to allow potential fraudsters to use the information to identify business entities which were entitled to claim credits on their accounts. Once such a business had been identified, there would be a number of avenues open to the fraudsters to seek to obtain funds.

To use this exemption we are required to undertake a public interest test. The matters which were considered in applying the public interest test are as follows:

Factors in favour of disclosure
Withholding the information could be perceived as the council attempting to retain monies that belong to the public.

It is in the public interest to be open and transparent about our use of public funds.

It is also in the public interest to provide some transparency regarding the records we hold in respect of the administration of business rates. This could be of interest to the minority of people who are due a refund, but have somehow failed to receive the notifications that money is due to them.

Factors in favour of withholding

There is a public interest in ensuring that monies from the public purse, such as rebates on business accounts, are not fraudulently claimed and also a public interest in not making it easier for fraud to be committed.

Our current verification procedure for refund claims is simple and cost effective. Disclosure of the requested information would result in additional verification processes needing to be implemented, at additional cost to the public which appeared disproportionate to the benefits that would accrue from disclosure. The additional verification procedures would also be likely to slow the verification process, resulting in detriment to the genuine ratepayer which would be contrary to the public interest.

In relation to any new verification processes that might be needed, these would be likely to require the production of additional documents by those claiming a rebate which would place a new administrative burden on the majority of those legitimate claimants that did not currently exist. This would be compounded by the fact that the level of scrutiny of those documents would be higher than at present, given the increased suspicion that some of the claims (and associated documents) might well be fraudulent. The result would be that a new verification process would be likely to slow the rate at which credit balance claims could be considered and refunded, causing delay in all refunds and the likelihood of complaints, which would further burden our limited resources.

Disclosure of the requested information would result in the need to implement disproportionate steps and additional expense to the public purse to counter an increased fraud risk that do not exist at present.

The cost consequences of a successful fraudulent claim would:

- have incurred the cost of paying out to the fraudster;
- remain liable to the legitimate rate payer for an equivalent amount, raising the prospect of paying out twice; and
- be faced with the cost (legal and incurrence of internal management time) of seeking to recover the funds wrongly paid to the fraudster.

It would not be in the public interest to expose it to such potential costs and expenses, given that they would be funded from the public purse.

It is considered that the greater public interest, therefore, lies in not providing the information at this time. In coming to that conclusion, the public interest in providing the information has been carefully weighed against any prejudice to the public interest that might arise from withholding the information; in all the circumstances of

the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. This response, therefore, acts as a refusal notice under section 17 of the Freedom of Information Act.