

Report to	Cabinet	Item
	10 October 2018	
Report of	Director of business services	9
Subject	Procurement of debt collection services including enforcement agents	

KEY DECISION

Purpose

To consider the future provision of debt collection services including enforcement agents.

Recommendation

To delegate the Enforcement and taking control of goods function (section 12 to the Tribunals, Courts and Enforcement Act 2007) in respect of Council Tax (Section 14 of the Local Government Finance Act 1992 (as amended)) and Non Domestic Rates (Section 62A of the Local Government Finance Act 1988) to Breckland Council. This is subject to approval by Breckland Council.

Corporate and service priorities

The report helps to meet the corporate priority value for money services

Financial implications

Potential additional income of up to £20k

Ward/s: All Wards

Cabinet member: Councillor Kendrick - Resources

Contact officers

Anton Bull – director of business services	01603 212326
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Background documents

None

Report

Background

1. The council currently uses external enforcement agents (previously known as bailiffs) to enforce debts.
2. This is a sensitive area and an opportunity has arisen to bring the service within the Anglia Revenues Partnership arrangements.
3. This will improve customer service and outcomes and ensure an even closer working relationship between the council and the enforcement agents.
4. Breckland Council has passed Council Tax and Business Rates liability orders to the Anglia Revenues Partnership (ARP) Enforcement Team which has been operational since the end of July 2015. The Enforcement Team has successfully collected Council Tax and Business Rates for The seven Councils in the Anglia Revenues Partnership (Breckland council, East Cambridgeshire, Fenland, Forest Heath, St Edmundsbury, Suffolk Coastal and Waveney).
5. In 2017 South Norfolk District Council delegated their Enforcement function to Breckland Council and since November 2017 the ARP Enforcement Agency have carried out their recovery work on behalf of Breckland Council.
6. The Enforcement Agency has only received 12 complaints since it was formed; only two complaints have been upheld, none have been upheld relating to the behaviour or manner of Enforcement Agents. The amount of Council Tax recovered by enforcement Agents compares favourably to the amounts previously collected by external bailiffs.
7. The ARP Enforcement team works much more closely with the Council Tax teams than external providers are able to. We are better able to respond in cases where vulnerable people are involved to help those people who are genuinely having difficulty in paying and where appropriate the team can withdraw statutory fees.
8. The service that an arrangement with Breckland Council would offer would mean that debtors are asked to enter into arrangements that are affordable and take account of new debt from new year Council Tax bills. The enforcement actions would seek to help debtors to find ways to break their current cycle of debt through referral to agencies and through ongoing dialogue.
9. It is recommended that the council should delegate this function to Breckland Council who will use their existing arrangement to pass cases requiring enforcement (previously referred to as Bailiff) action to the ARP Enforcement Agency. It is anticipated that, subject to approvals, the service would move to Breckland Council arrangement after 01/04/2019.
10. The service is currently with external Agencies. It is provided at no cost to Norwich because the Enforcement Agencies' profit has been derived from the statutory fees charged to debtors and collected and retained by the Agencies.

11. In addition to the potential for improved collection of outstanding Council Tax, it is estimated that the ARP Enforcement Agency would show a net surplus (after costs), of which Norwich would receive approximately £20,000 per annum, in respect of fees charged from 2019/2020.
12. The success of the ARP Enforcement Agency is, in part, due to the economy of scale that is provided by having 7 partners. The sharing of fixed costs means that the more work that is passed to the in-house team the lower the cost to the ARP partner Councils. A second factor is the geographical proximity of all the Councils and this proximity is maintained if Breckland Council pass the Norwich City work to the ARP Enforcement Agency.

Options

13. Norwich could decide not to delegate the Enforcement function to Breckland Council however if they do so then this may reduce the potential collection of Council Tax, Business Rates and other debt.
14. Norwich could agree to the delegation of the Enforcement function Breckland Council which would lead to more help and consideration of customer's needs (particularly in vulnerable cases), improved collection of debt and a potential income from any surplus in fees generated compared to cost.

Expected benefits

15. The ARP Enforcement team works much more closely with the Council Tax teams than external providers are able to. The team are better able to respond in cases where vulnerable people are involved to help those people who are genuinely having difficulty in paying and where appropriate the team can withdraw statutory fees.
16. The Agency should improve collection and help customers to end their cycle of debt by making arrangements that are manageable and take account of new year bills for Council Tax.

Constitution & Legal

17. The Local Government Act 2000 and the Local Authorities (Discharge of Functions) (England) Regulations 2012 allow authorities to delegate executive functions to the executive of another local authority. In this case, such delegation will enable Breckland Council to exercise relevant statutory powers under the Local Government Finance Act 1992, the Tribunals, Courts and Enforcement Act 2007 and the Local Government Finance Act 1988 in respect of properties within Norwich City Council's administrative area.

Equality and Diversity / Human Rights

18. We have a Public Sector Equality Duty. All enforcement action is taken on a case by case basis and is compliant with that duty. All ARP staff receive full training in matters relating to the treatment of vulnerable persons.

Risk Management

19. The performance of the service is monitored closely and reported to the ARP Joint Committee to manage the risk of the service not being at least cost neutral. The service was in surplus for 2015/16 and 2016/17 exceeding the business case estimate and early indications are that the 2017/18 estimates will also be significantly exceeded.
20. The ARP Enforcement Agency have procured a service for from an External Bailiff Service that means that any out of area cases will be passed to this External Agency to collect. If there is any backlog of cases in the future the ARP can also pass any surplus of cases to the External Agency to action on behalf of the Partners.
21. The council will monitor the performance of the service provided to Norwich to ensure the necessary service standards are met.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	10/10/2018
Director / Head of service	Anton Bull
Report subject:	Procurement of debt collection services including enforcement agents
Date assessed:	25/09/2018

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Potential additional income of up to £20k
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Better opportunity to work with customers and closer liaison with revenues team.
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Closer liaison with enforcement agents gives a better opportunity to manage performance.

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	