

OFFICER DECISION FORM

DECISION TO BE TAKEN BY: DIRECTOR OF FINANCE (Section 151 Officer)

KEY DECISION Yes

DIRECTORATE: Finance

WARDS AFFECTED: ALL

SUBJECT: Provision of Enforcement Agent Services

1.0 DECISION:

The Director of Finance has approved the procurement process for the commissioning by the Council of enforcement agent services by issuing an invitation to tender under the Yorkshire Purchasing Organisation Enforcement Agency Services, for the collection of outstanding debt under the following separate lots:

- Lot 1 - The collection of Council Tax, Non-Domestic Rates, Housing Benefit Overpayments and Sundry Debts; and
- Lot 2 - The recovery of Parking Enforcement Charges.

2.0 REASONS FOR THE DECISION

- 2.1 The current enforcement agency services contract expires in January 2025, with no further extensions being permissible. The intention is to maximise the collection of debts through the effective use of all available recovery options and to recover the debt as quickly as reasonably practicable, without imposing unreasonable hardship. The emphasis will be for a fair and respectful treatment of debtors, understanding their circumstances and providing early intervention to both increase revenue and improved support for vulnerable residents.
- 2.2 The Council is committed to providing a high-quality service and seek to ensure a high-quality Enforcement Agent service that acts in a responsible and professional manner, adopting a clear, reasonable and fair charging policy in the application of all fees.

3.0 STATEMENT OF COMPLIANCE

- 3.1 The recommendations are made further to legal advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been completed. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

4.0 DECLARATION OF INTEREST

4.1 None.



Signed:

Officer: Matthew Bennett

Title: Director of Finance

Date: 28 October 2024

A list of background papers on this issue is held with:

Contact Officer: Sandy Voas

Date: 28/10/2024

Date of Publication: 28/10/2024

Date of Expiry of Call-In Period: 31/10/2024

REPORT TITLE:	PROVISION OF ENFORCEMENT AGENT SERVICES
REPORT OF:	HEAD OF REVENUES & BENEFITS SERVICE

REPORT SUMMARY

This report outlines the requirement to commence a tendering exercise for the appointment of providers of enforcement agent services for:

- the collection of Council Tax, Non-Domestic Rates, Housing Benefit Overpayments and Sundry Debts; and
- the recovery of Parking Enforcement Charges.

The report also outlines support that will allow the Council to balance the need to continually improve income collection rates whilst supporting vulnerable residents in breaking the cycle of debt.

This report contributes to delivery of all Council Plan themes as collection of monies is crucial to the Council's financial position.

This report is a key decision as the estimated value of the contracts to the successful tenderer(s) is likely to exceed £500,000. The decision affects all wards.

RECOMMENDATIONS

The Director of Finance is recommended to approve the procurement process for the commissioning by the Council of enforcement agent services by issuing an invitation to tender under the Yorkshire Purchasing Organisation Enforcement Agency Services, for the collection of outstanding debt under the following separate lots:

- Lot 1 - The collection of Council Tax, Non-Domestic Rates, Housing Benefit Overpayments and Sundry Debts; and
- Lot 2 - The recovery of Parking Enforcement Charges.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

- 1.1 The current enforcement agency services contracts expire in January 2025, with no further extensions being permissible. The intention is to maximise the collection of debts through the effective use of all available recovery options and to recover the debt as quickly as reasonably practicable, without imposing unreasonable hardship. The emphasis will be for a fair and respectful treatment of debtors, understanding their circumstances and providing early intervention to both increase revenue and improved support for vulnerable residents.
- 1.2 The Council is committed to providing a high-quality service and ensuring a high-quality Enforcement Agent service that acts in a responsible and professional manner, adopting a clear, reasonable and fair charging policy in the application of all fees.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 For the Council to employ its own enforcement agents and undertake the recovery work itself. This approach is not practical due to the impending end of the contract. The Council has no current experience in this field, and it is considered that appointing a specialist company to undertake this work on behalf of the Council is the best option.

3.0 BACKGROUND INFORMATION

- 3.1 The Revenues and Benefits team is responsible for the invoicing, recovery and enforcement for Council Tax, Business Rates, Business Improvement Districts, Housing Benefit, overpayments and Sundry Debts. The current enforcement contract expires on 5th January 2025
- 3.2 Neighbourhood Services Directorate is responsible for Parking and Traffic Enforcement debt and the current contract expires on 25th January 2025.
- 3.3 10,492 cases were referred by the Revenues and Benefits team to the existing contractor, during 2023 -2024 with a recovery value of £11,270,489 of which £1,992,838 was collected.
- 3.4 Parking Enforcement Services passed approximately 1500 warrants to the current contractor during 2023/24 with a value of £135,000, with £81,000 recovered.
- 3.5 In addition, there is a current proposal to refer 'non vulnerable' Adult Social Care debtors for appropriate enforcement t for persistent refusal to pay clients. There are 62 cases with a value of £ 1,134,626.
- 3.6 During the pandemic and subsequent economic crisis, there was a reduction in referrals to assist residents and local businesses. However, business as usual has now resumed and there will be a rise in referrals being made.

- 3.7 Additional services may be provided by the Enforcement Agent which may include but are not limited to re-possession, evictions, tracing services and debt collection advice/consultancy.
- 3.8 The collection of this debt is essential to the Council's finances., As a result, the proposal is to secure the provision of an efficient and effective Enforcement Agency Service(s). with one service provider for Lot 1 and one service provider for Lot 2. The successful firm/s will undertake to collect debt on behalf of the following services within the Council.
- Lot 1 – Council Tax, Non-Domestic Rates, Sundry Debts and Housing Benefits, Overpayments.
 - Lot 2 – Parking and Traffic Enforcement Debts
- 3.9 The proposed contract term is for 3 years with an option to extend 1 plus 1 year. (i.e. A further 2 years). A further Officer Decision will be required prior to consideration of any extension.
- 3.10 Enforcement agents make their money by adding on costs to the debt which the debtor pays directly to them. In addition, the enforcement agents invoice the Council for any VAT incurred, which the Council pays and then claim back, therefore no actual costs are incurred to the Council. There is no guarantee as to the level of business under this contract.
- 3.11 Tenderers will be asked to specify what added value services they can provide. The services may include, but not limited to, social value, training, insolvency, and other debt collection methods at different stages of recovery, property inspections, and execution of Arrest Warrants, the appointment of (a) contractor(s) should lead to the following outcomes:
- Increased income for the council, maximising the collection of debts as quickly as is reasonably practicable, without imposing unreasonable hardship.
 - A fair and respectful treatment of debtors, understanding their circumstances and providing early intervention and improved support for vulnerable residents.
 - The procurement of a high-quality Enforcement Agent Service that acts in a responsible and professional manner, adopting a clear, reasonable and fair charging policy in the application of all fees.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no direct costs to the council for this service as the enforcement agents make their money from charging fees, which are set in legislation and charged direct to the client.
- 4.2 Whilst the direct cost to the Council is nil, this report is considered a key decision given the value of the contracts in relation to revenue earned by the enforcement services in recovering debt.

4.3 Lot 1 – Revenue and Benefits

The value of the current contract to the current provider, including Non-Domestic Rates/Council Tax/Housing benefit and Sundry debt is circa £330,000 per annum. The total value over a 3-year period is therefore circa £990,000.

4.4 Lot 2 - The recovery of Parking Enforcement Charges

The value of the current contract to the current provider of recovery of parking enforcement charges is circa £73,000 per annum. The total value over a 3-year period is therefore circa £219,000.

5.0 LEGAL IMPLICATIONS

5.1 Advice from the Procurement teams has been sought and followed in the selection of the procurement route. The tender process will comply with the Council's Contract Procedure Rules and the Public Contract Regulations 2015

5.2 The tender process is to proceed via the Yorkshire Purchasing Organisation Enforcement Agency Services, for the provision of Enforcement Agency Services for the Council, including High Court Enforcement. This includes the collection of all debt types which a Contracting Authority may have a requirement to collect and other services an Enforcement Agent can typically provide.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 Oversight of the project will be undertaken by the Revenues & Benefits Manager Governance & Support, within the structure of the Revenues & Benefits Service.

6.2 There will a requirement for engagement with Digital Services dependant on the outcome of the tender as working processes may need to be reviewed in relation to systems access and file transfers of data. The Revenues & Benefits Manager, Governance & Support, has engaged with Digital Services to advice of the potential resource requitement and timescales of the tender exercise.

6.3 Resources are already in place so should have no additional impact.

7.0 RELEVANT RISKS

7.1 The procurement approach and proposals have been considered taking into account factors such as risks, gaps in service, priorities, lead-in times and capacity.

7.2 Financial risk of not authorising the commissioning of the use of enforcement agents to collect outstanding debt, will result in a substantial loss of income for the council.

7.3 Reputational damage to the Council if either the tendering process is not robust or the appointed enforcement agents fail to meet the required standards in terms of both methods and/or recovery.

8.0 ENGAGEMENT/CONSULTATION

8.1 No external consultation has been undertaken.

9.0 EQUALITY IMPLICATIONS

9.1 This report has no direct impact for equalities; therefore, no assessment has taken place.

9.2 An equality Impact Assessment will be completed upon award of the contract.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 There are no significant climate or environmental implications as all work will be carried out remotely.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 A fair and respectful treatment of debtors, understanding their circumstances and providing early intervention to both increase revenue and improved support for vulnerable residents. Providing a high-quality Enforcement Agent service that acts in a responsible and professional manner, adopting a clear, reasonable and fair charging policy in the application of all fees.

11.2 Debt can cause hardship for residents and put them at risk of eviction. Early intervention and signposting for support can assist break the cycle of debt reducing the risk of families in poverty.

REPORT AUTHOR: Sandy Voas
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BACKGROUND PAPERS

Corporate Debt Policy
YPO Procurement Framework
Concession Contract Regulations 2016

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	N/A