

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

REPORT SUMMARY

This report outlines the requirement to award the appointment of Enforcement Agent Services for the collection of outstanding debt, following an invitation to tender using the Yorkshire Purchasing Organisation Enforcement Agency Services, as two separate lots.

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

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 revenue is crucial to the Council's financial position.

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

Appendix 1 contains exempt information as defined in Schedule 12A of the Local Government Act 1972. It is in the public interest to maintain the confidentiality of Appendix 1 pursuant to Paragraph 3 'Information relating to the financial or business affairs of any particular person (including the authority holding the information).'

RECOMMENDATIONS

The Director of Finance is recommended to approve the appointment of suppliers of enforcement agent services pursuant to Yorkshire Purchasing Organisation Enforcement Agency Service framework (the Framework), for the collection of outstanding debt (in each case) as the most economically advantageous tenderer, as follows:

- (1) Jacobs Enforcement Ltd pursuant to Lot 1 of the Framework for the collection of Council Tax, Non-Domestic Rates, Housing Benefit Overpayments and Sundry Debts for a 3-year period, with the option to extend for a further 2 12-month periods.
- (2) Newlyn Plc pursuant to Lot 2 of the Framework, for the collection of Parking and Traffic Enforcement Debts for a 3-year period, with the option to extend for a further 2 12-month periods.

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 seek to appoint high-quality Enforcement Agent services that act in a responsible and professional manner, adopting a clear, reasonable and fair charging policy in the application of all fees.
- 1.3 The preferred tenderers scored as the most economically advantageous tenderers pursuant to the mini tendering process.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 For the Council to appoint 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 felt that appointing specialist companies 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 enforcement agency, 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 to the Enforcement Agent 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. There has been a mini tendering exercise in respect of each identified Lot below on the basis of a contract term of for 3 years with an option in each case to extend for 1 year plus another 1 year (i.e. A further 2 years):
- Lot 1 – Council Tax, Non-Domestic Rates, Sundry Debts and Housing Benefits, Overpayments; and
 - Lot 2 – Parking and Traffic Enforcement Debts
- 3.9 A tender process in respect to each Lot was via invitations by the Yorkshire Purchasing Organisation Enforcement Agency Services Framework, for the provision of Enforcement Agency Services for the Council, including High Court Enforcement. An analysis of the tendering exercise and the evaluation of the tenders in each case is set out in Appendix 1 to this report. The preferred tenderer for Lot 1 was Jacobs Enforcement Ltd . The preferred tenderer for Lot 2 was Newlyn Plc.
- 3.10 A further Officer Decision will be required prior to consideration of any extension of either contract.

4.0 FINANCIAL IMPLICATIONS

- 4.1 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 claims back, therefore no actual costs are incurred to the Council. There is no guarantee as to the level of business under this contract. Whilst the 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.
- 4.2 In relation to the proposed appointment of Jacobs Enforcement Ltd the value of the contract to the previous provider, in terms of revenue to the Council was approximately £330,000 per annum. The total value to the Council over a 3-year period is likely to be in the region of £990,000.
- 4.3 In relation to the proposed appointment of Newlyn Plc, the value of the contract to the previous provider in terms of revenue to the Council was approximately £73,000 per annum. The total value to the Council over a 3-year period is therefore in the region of £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 was in compliance with the Council's Contract Procedure Rules and the Public Contract Regulations 2015.
- 5.2 Prior to any extension following the 3-year period, there will be in each case be a need for a further Officer Decision Notice.

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 In relation to the proposed award to Jacobs Enforcement Ltd there is no longer a requirement for further engagement with Digital Services due to the new contract being awarded to the preferred provider, resulting in no change to working processes, system access and data file transfers.
- 6.3 In relation to the proposed award to Newlyn Plc here is no longer a requirement for further engagement with Digital Services, resulting in no change to working processes, system access and data file transfers.
- 6.4 Resources are already in place so there is no additional impact.

7.0 RELEVANT RISKS

- 7.1 There would be a 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. This can be mitigated by following the recommendation.
- 7.3 There would be a reputational damage to the Council if the appointed enforcement agents fail to meet the required standards in terms of both methods and/or recovery. This will be mitigated by rigorous contract management by the Council.

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 Enforcement with a compassionate and professional approach that fosters an environment that is welcoming and inclusive. Putting people first and embracing different perspectives creating a culture of belonging, attracting diverse talent.

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 culture which is fair and includes respectful treatment of debtors, driving early debt resolution enabling affordable repayment plans that support Wirral communities through financial crisis. Providing bespoke solutions to maximise collections without placing debtors into further poverty. Provision of a high-quality Enforcement Agent service that acts in a responsible and professional manner, demonstrating a fair and ethical approach.
- 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.

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APPENDICES

Appendix 1 - Analysis of Tender Valuation – EXEMPT

This appendix contains exempt information as defined in Schedule 12A of the Local Government Act 1972. It is in the public interest maintain the confidentiality of Appendix 1 pursuant to Paragraph 3 'Information relating to the financial or business affairs of any particular person (including the authority holding the information).

BACKGROUND PAPERS

Corporate Debt Policy
YPO Procurement Framework
Concession Contract Regulations 2016
Evaluation Data

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
N/A	N/A