

ANGLIA REVENUES PARTNERSHIP

Report of Jo Andrews – Strategic Manager (Revenues)

To: ARP Joint Committee, 17th March 2016

Subject: Enforcement Agency update.

Purpose: To provide an update on the introduction of an Enforcement Agency and to recommend delegated authority to increase staffing levels where appropriate.

Recommendation(s):

- That the progress of the Enforcement Agency is noted.
- That the Operational Improvement Board are given delegated authority to appoint up to 8 additional members of staff where they are satisfied that the increase will be in the interests of the ARP
- That the Operational Improvement Board are given delegated authority to negotiate the terms of the ARP Enforcement Agency entering in to arrangements to collect debt for Councils who are not members of the ARP 2015 Joint Committee.

1. INTRODUCTION

1.1 Background

- 1.1.1 The Enforcement Team has been operational since the end of July 2015. The four compliance officers continue to recover monies through issuing up to 3 letters, sending text reminders and outbound telephone calling.
- 1.1.2 Two Enforcement Agents have obtained their Enforcement certificate which allows them to visit properties to enforce payment and a third Agent who is already certificated has been appointed.
- 1.1.3 The new team was set up so that we can offer debtors a responsive service that seeks to be fair but robust in recovering unpaid Council Tax and Business Rates. The business case that came to Joint Committee estimated that the new service would break even in 2015/16 and would provide a net surplus of fees in relation to the cost of the service from 2016/17 that would benefit Council Tax payers.
- 1.1.4 The service was not in place in time to pass some of the council's first courts to the Agency which has meant that both Income and expenditure will be lower than estimated for 2016/17 although this has not impacted on the overall outcome.

1.2 Performance

- 1.2.1 The team have collected in excess of £1,100,000 and have another £417,538 on payment arrangements. Remittances of cleared funds to all authorities are being made on a monthly basis. Early indications are that, as a percentage of referred debt, collection exceeds that of the previous external bailiffs as can be seen in the table below. The table compares the ARP Enforcement team's performance this year against the largest external provider's performance last year. Once the service has been running for a full year a true 'like for like' comparison can be made.

	% Council Tax cases no CTS	% for Council Tax in CTS cases	% Business Rates collected
ARP enforcement	13.06	9.31	15.52
External Bailiff	9.00	7.74	13.46

- 1.2.2 When the service was with external Agencies it was provided at no cost to the ARP partner Authorities because the Enforcement Agencies' profit was derived from the fees charged to debtors and collected by the Agencies.
- 1.2.3 The ARP Enforcement Agency will show a net surplus (after costs) in the region of £80,000 to £120,000 in respect of cash collected by the end of March 2016, this estimated surplus is based upon figures at the end of February. This surplus would have been higher if we had more Enforcement Agents able to visit debtors this year.
- 1.2.4 There have only been only two complaints received to date one of which has been upheld. As a comparison, complaints received by one of our external providers average 23 per annum with 22 being upheld or part upheld.

1.3 Future Service Provision

- 1.3.1 ARP partner authorities are interested in the Enforcement Agency carrying out other debt recovery for them as follows:
- Sundry Debtors (General invoices)
 - Housing Benefit Overpayments
 - Service of Committals and Arrest Warrants
 - Former Tenant Arrears
- 1.3.2 A number of external Councils have shown interest in the ARP Enforcement Agency carrying out their work for them and would also want the collection services in 1.3.1 to be provided in addition to Council Tax and Business Rates collection.
- 1.3.3 It is estimated that an increase in the number of members of staff would result in an increase in income (from Council Tax and Business Rates fees) that would exceed the cost of their employment (and other associated costs). In addition the ARP partners would benefit from the improved collection of the other debts mentioned in 1.3.1 above.
- 1.3.4 Where it is in the interests for the ARP to enter into arrangements to collect other Councils debts through the enforcement agency we would need to be able to increase the staffing levels accordingly. We are currently in discussions with 4 additional councils concerning the possibility of collection of their outstanding debts through the ARP Enforcement Agency.
- 1.3.5 There is likely be a need to move quickly if we wish to collect for additional councils from July 2016, which is when the bulk of liability orders are passed to Enforcement Agencies. It is recommended that the Joint Committee delegate authority to the Operational Improvement Board to be able to approve increases in complement to meet demand where it will benefit the ARP partner authorities to do so.
- 1.3.6 It is also recommended that the Operational Improvement Board should be given delegated authority to negotiate the terms of the ARP Enforcement Agency entering in to arrangements to collect debt for Councils who are not ARP members.

1.4 Options

- 1.4.1 The Joint Committee could approve each stage of the enforcement team expansion however, opportunities could be lost if the approvals process of all councils introduces delay.
- 1.4.2 The Joint Committee could give the Operational Improvement Board delegated authority to increase the number of staff in the Enforcement team and to negotiate the terms of the ARP Enforcement Agency entering in to arrangements to collect debt for Councils who are not ARP members

1.5 Reasons for recommendations

- 1.5.1 Where it is in the interests of the ARP to agree arrangements for the ARP Enforcement Agency to collect debt for other Councils we will need to agree these arrangements as soon as we can to maximise the benefits.

2. IMPLICATIONS

2.1 Risk

- 2.1.1 If we do not have adequate resource collection levels will not meet targets.
- 2.1.2 Income from fees may be less than the cost of the service (this is highly unlikely based upon the year one estimated outturn).

2.2 Financial

- 2.2.1 Expected income levels may not be realised

2.3 Legal

- 2.3.1 Legal agreements will have to be agreed with any Councils that we enter into an agreement with.

2.4 Equality and Diversity

Not applicable.

Background papers:- None

Lead Contact Officer

Name/Post: Jo Andrews – Strategic Manager (Revenues)

Email: jo.andrews@angliarevenues.gov.uk