

Cabinet

16 October 2019

In-House Enforcement Service

Ordinary Decision



Report of Corporate Management Team

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Councillor Alan Napier, Cabinet Portfolio Holder for Finance

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 To set-out proposals to establish an Internal Enforcement Agent Service for the collection of Council Tax, Business Rates, parking fines & fixed penalty notices, commercial rents, sundry debt and Housing Benefit overpayments.
- 2 This report also outlines the benefit of adopting the Citizens Advice Council Tax Protocol for Council Tax collection and proposals to adopt this Protocol.

Executive summary

- 3 The Tribunal, Courts and Enforcement Act 2007, The Taking Control of Goods Regulations 2013 and The Taking Control of Goods Fees Regulations 2014, regulate the Enforcement Agent industry, defining procedures and charges associated with the enforcement of Council Tax, Business Rates and sundry debt.
- 4 The Council currently contracts with two external Enforcement Agents and the contract for these services ends on 30 June 2020.
- 5 The Regulations have facilitated the introduction of internal or in-house Internal Agent Services in 11% of Councils, including Newcastle, Hartlepool and Stockton Councils locally.
- 6 This report sets-out proposals for the creation of an Internal Enforcement Agents Service, detailing the benefits and set-up cost and

associated implications. The new in-house service would be in place for 1 July 2020, supported by a contract with external Enforcement Agents for out of county debt and to provide resilience to the new service.

- 7 This report also outlines the benefit of adopting the Citizens Advice Council Tax Protocol for Council Tax collection and proposals to adopt this Protocol.

Recommendation(s)

- 8 Cabinet is recommended to note the report and:
 - (a) Approve the creation of an Internal Enforcement Agent Service – to be effective from July 2020; and
 - (b) Agree to adopt and sign-up to the Citizens Advice Council Tax Protocol from April 2020

Background

- 9 The Tribunal, Courts and Enforcement Act 2007, provided a package of reforms aimed at providing protection to debtors from the aggressive pursuit of debt from bailiffs, whilst balancing this against the need for effective enforcement and protecting the rights of creditors.
- 10 The subsequent Taking Control of Goods Regulations 2013 and the Taking Control of Goods Fees Regulations 2014 introduced regulation to the bailiff and enforcement industry, re-designating Bailiffs as Enforcement Agents and introducing regulated fees associated to enforcement actions.
- 11 The Regulations introduced a new certification process for Enforcement Agents requiring individual agent certification, granted to applicants able to demonstrate that they have knowledge of the law, including relevant legislation and regulations, documentation, processes and understanding of how to deal with vulnerable groups.
- 12 The Regulations defined the procedure for taking control of goods, covering matters:
 - a) Goods exempt from removal
 - b) Notice periods and content of notices i.e. taking control of goods must happen within 12 months of receiving notice that the case has been referred to an Enforcement Agent
 - c) Hours of entry to premises for the purpose of taking control of goods
 - d) Means of access to premises
 - e) Circumstances in which the taking of goods is not permitted e.g. when the person present is a child or vulnerable person
 - f) Methods of resale
- 13 The 2014 Regulations also defined a three-stage enforcement process and set the scale of fees to be applied to each stage.
 - i. **STAGE 1 - Initial Compliance stage: £75.00**

This is the set-up and initial contact stage which may include telephone contact, SMS texts, email or letter. The purpose of this stage is to give the customer or debtor another opportunity to engage in making payment or entering into a payment arrangement. No visits are undertaken at the compliance stage.

- ii. **STAGE 2 - Enforcement stage** - £235.00 (in addition to the £75.00 Compliance Stage fee)

If the customer or debtor fails to engage or enter into a payment arrangement the enforcement process progresses to the enforcement stage. It is only at this stage that an Enforcement Agent may visit the debtor's home or business, after issuing a Notice of Enforcement, with a view to securing payment or agreeing a payment arrangement.

In addition to the prescribed fee an additional fee of 7.5% of the value of the debt over £1,500 is chargeable.

- iii. **STAGE 3 - Removal and Sale stage** - £110.00 (in addition to the £75.00 Compliance Stage & £235.00 Enforcement Stage fees)

If the customer or debtor fails to make payment or enter into a payment arrangement, goods may be removed and sold to cover the outstanding debt e.g. sent to auction. The Regulations specify the procedure for the removal of goods. Removal and sale rarely enforced because the goods may not cover the outstanding debt.

In addition to the prescribed fee an additional fee of 7.5% of the value of the debt over £1,500 is chargeable. Additional charges or disbursements in respect of the removal may also be charged e.g. the cost of locksmiths, storage and auction fees.

Current Arrangements

- 14 The process for the billing, collection and enforcement of Council Tax and Business Rates is enacted in specific legislation:
- The Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992
 - The Local Government Finance Act 1988 and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulation 1989
- 15 Both provide for the referral to enforcement agents once a liability order has been obtained from the Magistrates Court. However, in all cases, before making an application to the Magistrates Court customers / debtors are issued with a bill, a reminder notice, a final reminder or cancellation notice and a summons, giving them several opportunities to either make payment in full or enter into a payment arrangement.

- 16 Other sundry debt e.g. parking fines and fixed penalty notices, commercial rents, Business Improvement District (BID) levies, Adult Social Care Charges, general fees and charges for services provided and Housing Benefit overpayments is enforced via the civil courts i.e. County Courts under appropriate enabling legislation:
- The County Courts Act 1984
 - Civil Procedures Rules 1998 and subsequent amendments /Practice Directions,
 - Charging Orders Act 1979
 - The Social Security Administration Act 1992
 - The Housing Benefit Regulations 2006
 - The Traffic Management Act 2004
 - The Tribunal and Courts Act 2014
- 17 The Council's Corporate Debt Management Policy defines debt management process for all Council debt and the appropriate recovery and enforcement actions available, as well as outlining support available to vulnerable people and those who are unable to pay. The aim of the Debt Management Policy is to focus action on those that won't pay, rather than those that can't pay.
- 18 The Council currently contracts with two external debt recovery and enforcement companies, Jacobs and Equita. The contract with both these companies is due to end in July 2020.
- 19 The Council currently refers Council Tax, Business Rates, parking fines and fixed penalty notices, commercial rents, sundry debt and Housing Benefit overpayments cases to enforcement agents.
- 20 In total, 18,023 cases with a total value of £11.846 million of outstanding debt were referred to Jacobs and Equita in 2018/19, 15,219 Council Tax cases (totalling £9.781 million of outstanding debt), 504 Business Rates cases (totalling £1.839 million of outstanding debt) and 2,300 sundry debt / parking enforcement cases (totalling £0.226 million of outstanding debt). The average recovery rate for debt referred to the external Enforcement Agents was 31%, ranging from 28% for Council Tax to 41% for sundry debt.
- 21 There were 82 formal complaints made against the action taken by the two external Enforcement Agents last year. 31 complaints were resolved by the Enforcement Agents themselves, with 57 escalated to

formal complaints to the Council. Of these, 6 (10.5%) were considered justified or partially justified, with the majority 51 (89.5%) not considered justified following investigation. All Enforcement Agents wear body cameras and all interactions with the debtor / customer are recorded for monitoring purposes.

Internal Enforcement Agent Service

- 22 Following the 2007 and 2013/14 reforms, a number of Councils have introduced internal or in-house Enforcement Agent Services.
- 23 The Civil Enforcement Association (CIVEA) estimate this to be approximately 11% of Councils with more planning to do so in the future. The CIVEA is the principal trade association representing civil enforcement agencies employing around 2,000 certificated enforcement agents that operate in England and Wales.
- 24 Locally, Newcastle City Council, Hartlepool Borough Council and Stockton Borough Council currently operate internal / in-house services.
- 25 The proposal is to set up / create an internal Enforcement Agent Service, effective from 1 July 2020. The service would be independent of the current Debtors and Collection teams and will be separately branded.
- 26 The service will manage 'within county' cases and referrals will be made by the Debtors and Collections teams in the same way as referrals are currently made to the two external Enforcement Agents.
- 27 The services of external Enforcement Agents will still be required to accommodate 'out of county' referrals and to provide some resilience / business continuity to the new in-house service. A procurement exercise will be undertaken before the current contract expires on 30 June 2020.
- 28 The new service will invest in the ONESTEP case management system, which is widely used in the enforcement sector, including the two existing external Enforcement Agents. This system is a module of the Councils existing software provider (Civica) and licensing will be procured through the existing Civica OpenRevenues contract.
- 29 The new service will consist of
 - 1 x Team Leader
 - 1 x Senior Officer
 - 5 x Enforcement Agents

- 7 x Enforcement Officers

Job Descriptions and Person Specifications have developed and evaluated for all new posts.

- 30 There will be a requirement to recruit and train staff and have the certified Enforcement Agents in place by April 2020, with the new service up and running in time for the expiry of the current contracts at 30 June 2020. Certified Enforcement Agents will also need the appropriate equipment, uniforms and personal protective equipment including body worn cameras, anti-stab vests, vans and laptops/tablets.
- 31 A range of policies and procedures will need to be developed and adopted to underpin these working arrangements, which will require the input and support from the Councils Human Resources, Health and Safety and Internal Audit and Risk teams.
- 32 The Council's Debt Management Policy and Council Tax Discretionary Reduction (Hardship Relief) Policy will be reviewed and updated to reflect the creation of the new service.

Benefits

- 33 The benefits associated with the provision of an internal Enforcement Agent service include:
 - a) A more joined-up, streamlined and flexible approach to debt recovery and management. A single view of debt will offer a more cohesive approach to debt management within the Council;
 - b) Running an internal Enforcement Agent service will provide much more direct control over the standards of behaviour and the actions taken by the service, ensuring that the Council's values and behaviours are embedded within the service. This may reduce the number of complaints received in respect of Enforcement Agent actions and activities;
 - c) Greater control will also offer the opportunity for the Council to adopt the Citizens Advice Council Tax Protocol, a best practice model for debt management and recovery, building upon the existing partnership working with the Citizens Advice County Durham. This would offer additional support to our most vulnerable customers, supporting further those who 'can't pay' rather than 'won't pay';
 - d) The introduction of an Enforcement Agents service will enable the adoption of a single financial statement across both the Debtors

and Collection teams and by Enforcement Agents service for all debt recovery;

- e) The in-house Enforcement Agents will be able to signpost customers to other support including, the Council Tax Reduction Scheme, discretionary funding / Council Tax Discretionary Reduction (Hardship Relief) Policy, Welfare Rights & Step Change and Credit Unions where appropriate;
- f) By working closely with the Assessment and Awards and Debtors and Collections teams Enforcement Agents will identify and promote entitlements to discounts, exemption and reliefs as appropriate to maximise income for both Council Tax and Business Rates customers;
- g) Enforcement Agents may identify vulnerable customers or customers struggling to manage the impact of welfare reforms, allowing sign-posting to other Council support e.g. Housing Solutions and/or health and social care services;
- h) There will be more flexibility regarding the application of statutory fee charges levied, which in appropriate situations could be more easily withdrawn, minimising the accrual of additional charges;
- i) Enforcement Agents visiting homes may identify anomalies on accounts e.g. cases where single person discount has been claimed inappropriately;

Finance implications

- 34 Charges levied from the new service are accounted for and recovered separately and are not added to the standard debt and the Collection Fund.
- 35 Income generated from the statutory charges, based on 2018/19 caseloads, and current performance achieved by Jacobs and Equita would be circa £830,000 with operating costs of circa £565,000 (including £19,000 contingency costs) leaving a net operating surplus of circa £265,000. The service would be introduced in July 2020 and therefore the surplus of income over expenditure would accrue over two financial years, providing the opportunity for MTFP savings in 2020/21 and 2021/22. For modelling it has been assumed that 20% less cases will be transferred to the Enforcement Agents going forward. Appendix 2 provides a breakdown of the forecast income and expenditure from the in-house enforcement service.

- 36 Initial one-off set-up costs of circa £45,000, including £28,000 systems set-up and training, will also be incurred and these will be met from the Resources cash limit in 2019/20.

Risk and Mitigation

- 37 The introduction of an Enforcement Agent service is not without risk.
- 38 It is an area of business where the Council has little relevant or recent experience of directly running. However, the Debtors and Collection Team, along with Payments, Income and Support Management team have many years' experience working with and contract managing external Enforcements Agent services and have a sound understanding of the legislation supporting the debt recovery and enforcement.
- 39 New policies, systems and processes will need to be implemented which must comply with statutory regulations, with a clear separation and segregation of activities and recovery actions between the Debtors and Collections teams and Enforcement Agent service. Therefore, robust governance arrangement will be required, and the new service will be separately branded to demonstrate that distinct segregation.
- 40 The Council has engaged with neighbouring Councils who have already implemented internal enforcement teams. They have already shared policies, procedures and experiences, including financial and performance information, to inform the establishment of a new service. They have also offered ongoing support and information
- 41 The collection of any type of debt, particularly from potentially vulnerable customers, can be highly emotive with a risk of complaint and/or reputational damage should processes and procedure go wrong. However, bringing enforcement 'in-house' and giving more direct control over the standards of behaviour and the actions taken by the service will help to mitigate this risk.
- 42 The Council and the service has a strong track record of performance management and has sound governance in place to track and monitor performance in terms of the effectiveness of recovery actions taken. This will be extended to cover the new internal Enforcement Agent service once it has been established.
- 43 Working closely with the CAB and adoption of the CAB protocol will also help to ensure standards, behaviours and actions are consistent and that the Council's budgeting model is consistent with that of the CAB.

Citizens Advice Council Tax Protocol

- 44 The Ministry of Housing, Communities and Local Government published national data on the collection rates for Council Tax in 2018/19 on 26 June 2019. The total amount of Council Tax outstanding at 31 March 2019 was £3.2 billion. This was an increase of £213 million or 7% on the figure at the end of March 2018.
- 45 In a recent publication, The Cost of Collection (The high price of Council Tax debt collection); April 2019, the Citizens Advice Bureau (CAB) report that Council Tax is increasingly a cause of financial difficulty. They estimate that the £3bn of outstanding debt impacted an estimated 2.2m households. In the last year the CAB helped more than 96,000 people struggling to make Council Tax payments, representing 30% of all debt advice and support given by them.
- 46 The CAB introduced a Council Tax Protocol in 2009. It was developed in partnership with the Local Government Association (LGA) and offers practical steps aimed at preventing people from getting into debt in the first place and outlines how to ensure enforcement agents act within the law.
- 47 The Government recommended that all councils adopt the protocol in 2013. The Council Tax Protocol (Revised Collection of Council Tax) replaced the original protocol in 2017.
- 48 To date 61 councils have adopted the protocol in England, covering over 12.1m people, 22% of the population in England. Locally, Newcastle City Council and Redcar and Cleveland Borough Council have adopted the protocol.
- 49 The overarching principal of the protocol is to support Council Tax payers and residents, acknowledging that they receive a better level of service when councils, enforcement agents and debt advice agencies work closely together.
- 50 Early intervention and proactive contact with those struggling with bill payments can prevent them from incurring additional charges and at the same time help to alleviate stress. Early intervention can also reduce the Council's cost of collection, unavoidable contact and may reduce demand for additional service e.g. mental health services.
- 51 The Protocol (attached at Appendix 3) covers three distinct areas:
 - i. **Partnership** – to foster more effective partnership working;

- ii. **Information** – to improve the information supplied to Council Tax payers about the billing and recovery process, how to access support and debt advice and information promoting engagement
 - iii. **Recovery** – Council Tax payers often fail to engage until recovery processes commence, it is not uncommon for the first point of contact to be with an Enforcement Agent at either compliance or enforcement stage. The protocol defines positive interventions that both Councils and Enforcement Agents should consider before enforcement stage including money advice referrals, consideration of vulnerability and access to hardship policies to avoid escalation of debt.
- 52 CAB also produce Guidance for Councillors (attached at Appendix 4), the guidance it designed to help understand and support the implementation of the protocol.
- 53 The Council already has a well-established and close working relationship with the CAB (known locally as Citizens Advice County Durham). Many of the requirements laid out in the protocol are already being met and to that extent an informal protocol has been agreed and has proven to be very effective. These arrangements are strengthened through the Advice in County Durham Partnership.
- 54 In signing the protocol, the Council would be accepting the CAB use of the Money and Pension Service, Single Financial Statement (SFS). The SFS is a universal income and expenditure statement, together with a single set of spending guidelines. It is used to summarise a person's income and outgoings, along with any debts they owe, allowing creditors to work with debtors to achieve the right outcomes for those struggling with their finances.
- 55 The Debtors and Collection team use a standard Financial Information Sheet currently to collate information and assess a Council Taxpayers ability to pay and inform repayment arrangements and applications for Council Tax Discretionary Reduction (Hardship Relief).
- 56 All SFS users / members are subject to the SFS code of conduct. In signing up to this code members agree to follow this statement of good practice and will be given access to the data entry format, the statement to be sent to recipients of the SFS, the spending guidelines, logo, and user guidance. Agencies signing up will also be added to a register of Code of Conduct members on the SFS website.
- 57 As part of signing up to the CAB Protocol the Council would also commit to reviewing its Council Tax billing and recovery documentation, publications and web content, have joint take-up campaigns with the

CAB to promote the take-up of appropriate reliefs and exemptions and be required to have improved engagement with Council Tax payers.

- 58 The principals of the protocol could also be rolled-out to all areas of debt collection including Housing Benefit overpayments and appropriate sundry debt.

Equality Impact Assessment

- 59 A full Equality Impact Assessment screening is attached at appendix 5.

- 60 In considering the equality impact assessment the following key point should be noted:

- (a) The collection of debt inevitably has a detrimental impact on debtors and has the potential to negatively impact those protected characteristics groups who may be in financial difficulty. Legislation prescribes the manner and actions that should be taken in pursuit of the collection of debt. This includes the engagement of Enforcement Agents.
- (b) The introduction of an Internal Enforcement Agent Service may have a positive and beneficial impact on those protected characteristic groups because it will enable a more joined-up, streamlined and flexible approach to debt management. Although improvements are beneficial to all protected characteristics, the proposed changes may be particularly beneficial in terms of working age and men where our analysis has identified these groups as being more likely to be impacted by debt recovery.
- (c) Enforcement agents will be subject to the Council's values and behaviours. Enforcement Agents will also be able to identify and sign-post vulnerable customers directly to other Council services e.g. Welfare Rights, Discretionary Awards, Housing Solutions and/or health and social care services. There is limited data for groups such as disability, pregnancy and maternity, religion and belief and BME but a well-trained internal workforce with an appropriate quality assurance framework should provide improvements for these particular groups where a tailored approach may be required.

Conclusion

- 61 The Tribunal, Courts and Enforcement Act 2007, The Taking Control of Goods Regulations 2013 and the Taking Control of Goods Fees Regulations 2014, regulate the Enforcement Agent industry, defining

procedures and charges associated with the enforcement of Council Tax, Business Rates and sundry debt.

- 62 The Council currently engages the services of external Enforcement Agents for the collection and enforcement of Council Tax, Business Rates and sundry debt.
- 63 Legislation enables Councils to set-up internal or in-house Enforcement Agent Services. Approximately 11% of Councils have done so. Locally, Newcastle City Council, Hartlepool Borough Council and Stockton Borough Council currently operate internal / in-house services.
- 64 Income generated from the statutory charges, based on 2018/19 caseloads, and current performance achieved by the current external Enforcement Agents would be circa £830,000 with operating costs of circa £565,000 (including £19,000 contingency costs) leaving a net operating surplus of circa £265,000. The service would be introduced in July 2020 and therefore the surplus of income over expenditure would accrue over two financial years, providing the opportunity for MTFP savings in 2020/21 and 2021/22.
- 65 The potential benefits of an Internal Enforcement Agent Service include a more cohesive approach to debt management; direct control of standards and behaviours; the opportunity to adopt the Citizens Advice Council Tax Protocol and single financial statement; maximisation of take-up of various exemptions, discounts and benefits and greater co-ordinated support to vulnerable customers. These benefits present a strong case to support the set-up an Internal Enforcement Agent Service.

Background papers

- None

Other useful documents

- Durham County Council Debt Management Policy
- Council Tax Discretionary Reduction (Hardship Relief) Policy
- CIVEA Code of Conduct and Good Practice Guide
- Ministry of Housing, Communities & Local Government – Collection rates and receipts of council tax and non-domestic rates in England 2018-19
- Citizens Advice, The Costs of Collection – The high price of council tax debt collection

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Appendix 1: Implications

Legal Implications

The Tribunal, Courts and Enforcement Act 2007, provided a package of reforms aimed at providing protection to debtors from the aggressive pursuit of debt from bailiffs, whilst balancing this against the need for effective enforcement and the rights of creditors.

The subsequent Taking Control of Goods Regulations 2013 and the Taking Control of Goods Fees Regulations 2014 introduced regulation to bailiff and enforcement industry, re-designating Bailiffs as Enforcement Agents and introduced regulated fees associated to enforcement actions. The 2014 Regulations defined a three-stage enforcement process that applies to enforcement services and set the scale of fees to be applied to each stage.

The process for the collection and enforcement of Council Tax and Business Rates is enacted in specific legislation:

- The Local Government Finance Act 1992 and the Council Tax (Administration and Enforcement) Regulations 1992
- The Local Government Finance Act 1988 and the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulation 1989

Other sundry debt e.g. parking fines & fixed penalty notices, commercial rents, BID, Housing Benefit overpayments is enforced via the civil courts i.e. County Courts by appropriate legislation:

- The County Courts Act 1984
- Practice Directions & Civil Procedures Rules 1998 subsequent amendments and Practice Directions;
- The Charging Orders Act 1979
- The Social Security Administration Act 1992
- The Housing Benefit Regulations 2006
- The Traffic Management Act 2004
- The Tribunal and Courts Act 2014

Finance

Charges levied from the new service are accounted for and recovered separately and are not added to the standard debt and the Collection Fund.

Income generated from the statutory charges, based on 2018/19 caseloads, and current performance achieved by the existing external Enforcement

Agents (Jacobs and Equita) would be circa £830,000 with operating costs of circa £565,000 (including £19,000 contingency costs) leaving a net operating surplus of circa £265,000. The service would be introduced in July 2020 and therefore the surplus of income over expenditure would accrue over two financial years, providing the opportunity for MTFP savings in 2020/21 and 2021/22.

For modelling it has been assumed that 20% less cases will be transferred to the Enforcement Agents going forward. Appendix 2 provides a breakdown of the forecast income and expenditure from the in-house enforcement service.

Initial one-off set-up costs of circa £45,000, including £28,000 systems set-up and training, will also be incurred and these will be met from the Resources cash limit in 2019/20.

Consultation

There is no need for any public consultation on the in-housing of this service. The operation of the service is subject to statutory regulations in line with the Tribunal, Courts and Enforcement Act 2007 and subsequent Taking Control of Goods Regulations 2013 and the Taking Control of Goods Fees Regulations 2014.

The current Enforcement Agents (Jacobs and Equita) may seek to apply TUPE when their contracts with the Council come to an end in July 2020, however, this has not been the experience of other Councils, where the existing agents have retained existing staff. TUPE implications will be fully considered and where appropriate the statutory process applied, including necessary consultation with employees affected.

Equality and Diversity / Public Sector Equality Duty

The Equality Act 2010 aims to advance equality of opportunity and provide protection from discrimination for people based on their 'protected characteristics'. We are legally required under the public sector equality duty (PSED) to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between those who share a relevant protected characteristic and those who do not.

The collection of debt inevitably has a detrimental impact on debtors and has the potential to negatively impact those protected characteristics groups who may be in financial difficulty. Legislation prescribes the manner and actions that should be taken in pursuit of the collection of debt. This includes the engagement of Enforcement Agents.

The introduction of an Internal Enforcement Agent Service may have a positive and beneficial impact on those protected characteristic groups because it will enable a more joined-up, streamlined and flexible approach to debt management. Although improvements are beneficial to all protected characteristics, the proposed changes may be particularly beneficial in terms of working age and men where our analysis has identified these groups as being more likely to be impacted by debt recovery.

Enforcement agents will be subject to the Council's values and behaviours. Enforcement Agents will also be able to identify and sign-post vulnerable customers directly to other Council services e.g. Welfare Rights, Discretionary Awards, Housing Solutions and/or health and social care services. There is limited data for groups such as disability, pregnancy and maternity, religion and belief and BME but a well-trained internal workforce with an appropriate quality assurance framework should provide improvements for these particular groups where a tailored approach may be required.

A full EqIA screening is attached at appendix 5.

Human Rights

The proposals contained in this report seek to strengthen and improve the arrangements for supporting vulnerable households in terms of the recovery action being instigated by the Councils Collections Teams and will contribute to ensuring we focus recovery action on those that "won't pay" as opposed to taking action on people who "can't pay".

Crime and Disorder

The proposals contained in this report seek to strengthen and improve the arrangements for supporting vulnerable households in terms of the recovery action being instigated by the Councils Collections Teams

Staffing

The new service will consist of:

- 1 x Team Leader – Grade 11
- 1 x Senior Officer – Grade 8
- 5 x Enforcement Agents – Grade 7

- 7 x Enforcement Officers – Grade 5

New Job Descriptions and Person Specifications have been developed and have been evaluated for all new posts.

The current Enforcement Agents (Jacobs and Equita) may seek to apply TUPE when their contracts with the Council come to an end in July 2020, however, this has not been the experience of other Councils, where the existing agents have retained existing staff. TUPE implications will be fully considered and where appropriate the statutory process applied.

There will be a requirement for the Enforcement Agents to work flexibly and they will be required to work some evenings, at least one night a week and some Saturdays, when cases are at enforcement stage i.e. requiring a home visit. This necessity is reflected in the relevant Job Description and Person Specifications.

As well as out of hour working, there will be a degree of lone working required by the Enforcement Agents. The appropriate risk assessments and procedures will be drawn together and agreed in partnership with the Health and Safety team and Human Resources. Enforcement Agents will also receive appropriate lone working and violence and aggression training prior to go live.

Accommodation

The new service will require the appropriate office space to accommodate a team of 14 FTE. Nine of the fourteen members of the team will require an 'anchor zone' along with the remainder of the existing Debtors and Collection team. The team will be separate to but have strong synergies with the Debtors and Collection Team and the Assessment and Awards Team and will need to work closely with the Discretionary Benefits and Welfare Rights Teams too.

The remaining five officers, the Enforcement Agents, will work flexibly, they will spend the majority of time visiting domestic and business properties and therefore will hot desk from the most appropriate location, visiting the office when required.

All desk ratios will be agreed as part of the Inspire Programme.

Risk

The introduction of an Enforcement Agent service is not without risk.

It is an area of business where the Council has little relevant or recent experience of directly running. However, the Debtors and Collection Team, along with Payments, Income & Support Management team have many years'

experience working with and contract managing external Enforcements Agent services and have a sound understanding of the legislation supporting the debt recovery and enforcement.

New policies, systems and processes will need to be implemented which must comply with statutory regulations with a clear separation and segregation of activities and recovery actions between the Debtors and Collections teams and Enforcement Agent service. Therefore, robust governance arrangement will be required, and the new service will be separately branded to demonstrate that distinct segregation.

The Council has engaged with neighbouring Councils who have already implemented internal enforcement teams. They have already shared policies, procedures and experiences, including financial and performance information, to inform the establishment of a new service. They have also offered ongoing support and information

The collection of any type of debt, particularly from potentially vulnerable customers, can be highly emotive with a risk of complaint and/or reputational damage should processes and procedure go wrong. However, bringing enforcement 'in-house' and giving more direct control over the standards of behaviour and the actions taken by the service will help to mitigate this risk. Likewise working closely with the CAB and adoption of the CAB protocol will also help to ensure standard, behaviours and actions are consistent and that the Council's budgeting model is consistent with that of the CAB.

The Council and the service has a strong track record of performance management and has sound governance in place to track and monitor performance in terms of the effectiveness of recovery actions taken. This will be extended to cover the new internal Enforcement Agent service once it has been established.

Procurement

In terms of the in-housing of the Enforcement Agents service, a formal procurement exercise is not required in terms of the ONESTEP case management system that will be needed. This is an existing Civica module that is widely used in the enforcement sector and licensing will be procured as an addition to the existing Civica OpenRevenues contract.

A procurement exercise will however be undertaken to secure the services of external Enforcement Agents for out of county cases and to provide business continuity and additional resilience to the newly established in-house Enforcement Agents service going forward.

Appendix 2: Income & Expenditure Model

Recurring Income & Expenditure

Annual number of cases referred to Enforcement Agent (based on 2018/19 referrals)	Total cases (80% of 2018/19 Levels)	Assuming 25% a/c charged £75 compliance fee (which is recovered)	Income from compliance stage (£75)	Assuming 10% of a/c charged £235 enforcement fee + £75 compliance fee (which is recovered)	Income from enforcement stage (£310)	Total
Council Tax	14,418	3604.50	£270,338	1441.8	£446,958	
Business Rates	403	100.75	£7,556	40.3	£12,493	
BIDS						
SD/Parking	1,840	460	£34,500	184	£57,040	
Total Income	16,661		£312,394		£516,491	£828,885

Annual Expenditure		
Staffing Costs		Total
Salaries (inc. on-costs @ 97% at top of grade)		
Team Lead Gd11 x 1	£45,524	
Senior Officer Gd8 x 1	£35,282	
Enforcement Agent Gd7 x 5	£160,787	
Enforcement Support Officer Gd5 x 7	£183,208	£424,801
Certification & Bonds		
Bi-Annual Certification/Court Application fee £308 (pro-rata) x 6	£1,848	
Bi-Annual Bond Fee £250 (pro-rata) x 6	£1,500	£3,348
ICT, Supplies & Services		
Civica OneStep (based on estimated referrals)	£45,000	
Civica OneStep (read only system)	£5,000	
Mobile Phones - monthly fee x 6	£45	
Printing & Postage (est.30,000 items @ 0.45p)	£13,500	£63,545
Tracing costs		
Call Credit (est. 18,000 @ 0.40p)	£7,200	
DVLA (est. 1,600 @ £2.00)	£3,200	£10,400
Transport		
Vehicle Lease x 5 (costed @ van rate)	£17,280	
Other Vehicle Operating Costs	£9,474	
Fuel	£17,500	£44,254
Miscellaneous Contingency Costs	£19,000	£19,000
Total		£565,348